# FINANCIALTIMES

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## GENERAL

## Desai $$4\frac{3}{4};$ deputy seeks firmer his job

Mr. Charan Singh, India's Deputy Prime Minister. resigned from the Cabinet and later claimed he could succeed outgoing Premier Morarji Desai after securing the leadership of the newly-formed Janata (S)

Senior members of the Janata (S) are thought to have received assurances of support from several other parties, in-cluding the official Concress opposition led by Mr. Y. E. Chavan.

The other main contender for the leadership, Mr. Jagjivan Ram, Deputy Premier and Defence Minister, was also busy rallying support from within what were left of the ruling Janata Party. Back Page

#### President quits

Ahmed Hassan Al-Baker, the soldier President who has led Iraq since 1968, resigned and was succeeded by Saddam Hussein, Vice-Chairman of the Bayelutians of the Sandarian and the Sandarian and the Sandarian and the Sandarian and Sandarian an the Revolutionary Command

#### Lebanon Cabinet

Lebanen's Prime Minister Selim Al Hoss formed a new 12-man Cabinet and said he would try anew to stabilise post-civil war Lebanon.

#### Sadat plea

is to make a personal plea for at 834.22 before the close. support for his peace treaty with Israel during the Organisation rovia today. Page 3

#### Drugs appeal

Uçandan Hazith Minister Arnold Bisase asked for foreign exchange to buy drugs which have run so short that dectors have stopy of giving prescrin-tions and dentists are pulling teeth without any anaesthetic.

#### **Ecat suicides**

Vietnamese refugees committed sui-ide and seven others died of hunger while crossing the South China Sea in a boat with 26 others to the Philippines.

#### Iran resignation

Iran's Defence Minister Taqi Riahi tendered his resignation as his chief critic in the army. military police commander General Saif Amir Rahimi. accused the Government of not taking a strong enough stand against violence in ethnic regions. Page 3

#### Anthony weak Bone marrow boy Anthony

Noian has suffered two setbacks -failure of treatment to make his uncle a suitable donor and a severe haemorrhage-and his apocal organisers say be is very

#### England win

England beat India by an innings and 83 runs on the fourth day of the first Cornhill Test at Edabaston. The Indians were all out for 253 in their second innings following a first innings 297 in reply to England's 633.

#### Briefly . . .

Soviet Union is believed to have nuclear test north of the Cas-

British Airways and Iberia, the Spanish airline, are to cut fares by up to 40 per cent this winter.

South African police probing the disappearance of enough sodium cyanide to kill 10,000 believe it was washed into the Indian Ocean.

#### BUSINESS

NEWS SLIMMARY --

# Gold up Equities

No. 27,917

6 GOLD rose \$47 an ounce in London on doubts over President Carter's energy measures, to close at a record \$2927.



e EQUITIES rose on June trade figures and the FT 30-share index closed 4.1 up at 470.7 (469.8) in spite of the later announcement of a June current account deficit.

O GILTS followed equities with gains of up to a point on some shorts and the Government Securities Index closed 0.10 up

© STERLING rose 1.3c to close at \$2.2420, and its trade-weighted index was 71.3 (71.0). DOLLAR'S index fell to \$4.3

President Anwar Sadat of Egypt & WALL STREET was up 0.69

O BRITAIN gave up i't claim of African Unity's Heads of that it should be entitled auto-of State meeting, which opens in the Liberian capital of Mon-from the EEC if the became a full member of the EMS as the Government decided to renew pressures for a reduction in the country's contribution to the FEC hudget Back Page and

> Industry Secretary, postponed until today his statement on regional aid to industry. the Prime Minister. Page 8

O THREE DIRECTORS of Brentnall Beard, the Lloyd's of London suspended from all executive duties throughout the group.

**O BRITISH PETROLEUM was** the UK's largest exporter in 1978. Among non-oil companies. BL regained its place ahead of

ICI and Ford. Page 4 O PHILIPS of Holland announced a £347m offer for the 39 per cent shareholding in Pye which it does not already own. Back Page and Lex

O FUTURES PRICES of all hase metals fell on the London Metal Exchange, dragged down wards by fears of recession in the U.S., the seasonal lack of demand from industry and the decline in lead quotations. Page 27

• UNIONS AT the Corby steelworks plan to put themselves on a war footing to fight the proposed British Steel Corporation closure. Page 8

#### COMPANIES

6 GOODYEAR'S UK subsidiary reports a record pre-tax loss of £21.4m in 1978. Back Page

RANK ORGANISATION reports pre-tax profits up from £57.36m to £64.41m in the 28 £57.36m to £64.41m in the 28 appeal. This will probably not be weeks ended May 12. Page 18 heard for several months and

INTERNATIONAL pushed sales pu 6 per cept from £93.2m to £98.9m in the year ended March 31. Pre-tax profits were down 11.8 per cent from £6.67m to £5.88m. Page 18

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#### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise	indicated)
RISES Exch. 3pc 1981 £892 + 1 Exch. 12pc 1913-17. £981 + 2 Amal. Dist. Prods. 60 + 5	Provident Financial 93 + Pye Hldgs,
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Crouch (D.) 170 + 18 Decca "A" 340 + 40 Electronic Rentals . 191 + 8	Oil Exploration 340 + Mincorp 104 + UC Investments 240 +
Flight Refuelling 212 + 14 GEC	West Rand Cons 152 + FALLS
Imp. Contatl. Gas xd538 + 8 Lloyds Bank 347 + 11	Alexanders Discount 250 - Eurotherm Intlxd300 -
Matthews (B.7 288 + 13 NatWest 370 + 12 Paters Stores 64 + 8	Jacksons Bourne E. 145 - Ladbroke

# Carter puts \$140bn plan to cut U.S. oil imports

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

President Carter, adopting a new, hard-hitting style of leadership, proposed vesterday that the windfall profits tax on the oil industry be used to finance an ambitious \$140bn energy programme to reduce substantially U.S. dependence on foreign oil.

includes a commitment to use quotas to ensure that U.S. oil imports never again exceed their 1977 level of 8.5m b/d, He provided the details of his programme in a rousing speech to a local government conference in Kansas City, the follow-up to his extraordinary Sunday night nationally-televised address in which he admitted past failures of leadership and invoked renewal of the old American spirit of unity to break "the crisis of confidence" now affecting the

country. Even Mr. Carter's strongest critics conceded yesterday that he had perhaps given the most offective address of his Presidency. But it was generally agreed that if he failed to follow through with consistent advocacy of specific policies, such benefits as he may have cained on Sunday night would e quickly dissipated and his Presidency and political future

His multi-pronged package, in as much trouble as before, which sets a goal of cutting oil
imports by 45m barrels a day in Kansas City consists essenbelow what they otherwise tially of an amalgam of the new below what they otherwise tially of an amalgam of the new would be by the year 1990, and the old, plus some items already before the legislature. What he did not propose was either a lifting of current controls over domestic energy prices or an acceleration of the

> Synthetic fuel options. Page 3 Carter talks tough, Page 16 Editorial comment, Page 16

policy of phasing out such curbs over a protracted period. The major points of the programme are as follows:

Creation of an energy security corporation to direct development of 2.5m barrels a day of oil substitutes (that is synthetics) from coal liquids and gases, oil shale, biomass and unconventional gas by 1990. Biomass is such things as vegetable sugar, alcoho!

and woodchips. Establishment of an energy mobilisation Board empowered to cut through bureaucratic red tape to expedite construction of critical energy facilities.

New incentives including lifting of price controls in some minor sectors, for development of heavy oil, unconven-tional gas and shale. Requiring utilities to cut present

oil consumption by 50 per cent by 1990, saving 750,000 b/d. Establishing a major residential and commercial conservation programme designed to save 500.000 b/d by the end

of the next decade. \$2.4bn-a-year low-income at DM 1.82, compared with that the assistance scheme to insulate DM 1.8245 on Friday. the poorest Americans from The dollar's trade-weighted impact of higher energy costs. index as calculated by the Bank in May. Provide \$16.5bn in the next

The Administration estimates that its existing policies and proposals would save 4m b/d in the next 10 years and that the new initiatives would have a further 4.5m b/d.

The major item of Government expenditure is to be the estimated \$88bn to finance the energy security corporation, Continued on Back Page

# TUC fears union reform may end right to strike

BY CHRISTIAN TYLER, LABOUR EDITOR

GOVERNMENT plans for trade as the centrpiece of a campaign breaches of commercial conworking papers published by

the Government last week. union haders now believe that almost any strike or industrial action against an employer especially in the trading sector -could render trade unions publicly quoted vulnerable to court inju-broker, have been and claims for damages. vulnerable to court injunctions The Government has sug-

gested that it may limit trade union immunity from court action, ostensibly to curb not only "secondary picketing but other kinds of indirect or sympathetic action including blacking of goods.

But the TUC's employment policy and organisation committee, meeting tomorrow, is expected to take the view that if this plan were acted on it would remove virtually all legal protection for workers involved directly, or indirectly in trade

union reform include a proposal within the labour movement of tract was "discovered" by the that could virtually remove the resistance to the changes, and courts in the 1960s (particurisht to strike from workers in alsot o Mr. James Prior, Employ- larly in the case of Stratford SIR KEITH JOSEAN. Britain, according to the TUC. ment Secretary, assuming that v. Lindley in 1965). The the TUC agrees to continue the consultations he has set in

The Government is likely to challenge the TUC's interpreta- with the Trade Union and tion of its suggested amend. Labour Relations (Amendment) ment to labour law. But an change, the Government was union in dispute. open of persuation.

when breaches of commercial freedom of the press. contract had been induced. The ment contracts.

That view will be put to the putes Act. But, according to financin TUC general council next week the TUC, unions' liability for ballots.

Labour Government tried to change the wording in 1974 but was defeated by the Opposition. It eventually did so in 1976

Act. official insisted last night that If the wording is changed the consultations were genuine back, the TUC says, any cusand that if the TUC could tomer or supplier of a company demonstrate that for-reaching as well as the employer himself consequences would follow this could bring an action against a

There was little public fuss The argument centres on the when the limited immunity Government suggestion that clause appeared in 1974: most of trade union immunity from the debate at that time was actions in tort should not apply about the closed shop and the

From tomorrow, however, the Government would like to re- TUC is likely to start a major vert to the formula that pro- public campaign, using this tects only breaches of employ- point to spearhead its resistance This was the position estab proposals on picketing, the lished by the 1906 Trade Dis- closed shop and the public financing of secret trade union

# Ladbroke loses casino hearing

BY JAMES BARTHOLOMEW

LADBROKE GROUP, the big-gest casino operator in the UK, yesterday had its application casino licences refused by South Westminster Licensing magis-

Ladbroke said last night that it would immediately lodge an the casinos will be allowed to operate in the meantime.

If the decision is not overruled it will be a heavy blow to Ladbroke which received over half its £41m pre-tax profit sidiaries "are not fit and proper Ladbroke clubs, had been last year from the casino divipersons to be holders of gaming allowed a discount on his sion.

Ladbrokes shares fell to 175p in after hours dealings yester- grounds for their objection to day after being 202p earlier in renewal of the licences. They

Ladbroke has lost. The Ladbroke casinos in question are in Mayfair. One of them, the Ladbroke Club, is thought to be the single most profitable casino in the country.

The repundent of the Ladbroke casinos, that non-members had been approached and allowed to same and that

The police had given several alleged that registration num-The casino industry will now bers of prestige cars outside be in considerable disarray as rival casinos had been noted other groups such as Coral and that their owners had been Leisure, Playboy and Mecca up traced through the corruption to pick up the licences which of a police officer with access to

casino in the country.

The grounds of the refusal Mr. Michael Lavelle, who introwere that the Ladbroke subduced several guests to

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INTERIM STATEMENTS

# Foreign exchange markets unmoved

By Peter Riddell in London and John Wyles in New York

failed to impress the foreign exchange markets yesterday. The dollar declined against most leading currencies in nervous though generally thin

Dealers in Europe said the speech made little difference to the short-term prospects of the U.S. economy. There appeared a reluctance to take up new trading positions for or against the dollar, and any selling was on a limited scale.

The dollar slipped to its lowest level against the D-mark for more than six months, though there was no significant intervention by the Bundesbank. The U.S. currency closed

rovide \$16.5bn in the next of England, fell by 0.3 points decade to improve public to \$4.5, a decline of 3.2 per cent transport and car fuel in six weeks.

The weakness of the dollar boosted sterling, which rose 1.3 cents yesterday to \$2.2420, its highest closing level since June

Any significant weakening in the dollar in the coming weeks could be the catalyst for fresh moves to tighten credit accord-ing to many New York analysts. The Federal Reserve Board's continued commitment to a 10 per cent target for the Federal Funds rate—for overnight loans between banks—is causing some concern on Wall Street in view of the outlook for inflation and

For the moment the Fed. appears to be subordinating achievement of its monetary growth targets to its desire not to exacerbate the current economic slowdown in the U.S.

This is generally seen as the meaning of the latest report of

the recent surge in monetary

the Fed's Open Market Committee. On May 22, committee voted to raise the Funds rate if monetary growth exceeds the upper limits of staff ever, the committee voted on the recommendation of Mr. G. William Miller, the Fed chair-man, not to change the Funds rate in spite of monetary growth in the May-June period which was at "annual rates above the

The decision was justified " in view of many indications of weakening economic activity," according to the Fed's report. various distortions, imports rose have a growing impact.

# Big deficit in current account

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN HAS a very large underlying deficit on the cur-rent account of its balance of payments in spite of the rapid build-up of North Sea oil out-put. This is the result of a sharp increase in imports, par-ticularly of machinery and cars, coupled with a slight fall in

The trend is obscured by big month-to-month fluctuations in the published figures caused by the continuing impact of the Civil Service industrial dis-pute on the flow of information. The Department of Trade yesterday announced a current account surplus of £61m for

June, compared with a deficit of £75m in the previous month. But after allowing for the distortions, the department estimates that the current account deficit was between £300m to £400m last mouth, somewhat less than

Over the first half of this year as a whole the published figures indicate a current deficit of £1.02bn. But imports amount-

Balance of trade table, Page 6 Lex and Retail sales figures, Back Page

ing to £900m may not have been recorded in this period and will show up in the trade figures over the next few months.

Consequently, the underlying deficit may have been around £1.9bn in the first half of the year, compared with a surplus of 5604m in the second half of 1978. Most of the deterioration was on visible trade but the invisibles surplus dropped by £286m, partly as a result of higher net contributions to the EEC.

deficit has been offset by big cepital inflows, attracted by Britain's favoured position as an oil producer at a time of sharply rising crude oil prices and by rise in sterling this year. the The deterioration in current account to a published

balance in the second half. The position would have been growth from now onwards.

BALANCE OF PAYMENTS £m seasonally adjusted Visible Current trade invisibles account -- 126 -- 766 -- 289 -- 327

- 185 - 49

by 15 per cent in value—or around 12 per cent in volume— in the first half of this year compared with the second half of 1978. The Department of Trade describes this rise as

erratically large." The increase can be explained partif by the pre-Budget con-sucrer boom. There was, for instance, a 40 per cent rise in the volume of imports of road vehicles over the half-year and a 12 per cent increase in the volume of total manufactured imports. But these rises are before allowing for underrecording due to the Civil Service dispute. Over all there has undoubtedly been a further rise in the underlying share of the home market taken by imports. Export volume fell by 2 per cent in the first half of 1979 compared with the previous six months with no net distortions. In corticular, there was a sharp drop roughly £100m a month —in cales to fran and Nigeria in the first half.

The Jarge current account After excluding this fall, the velume of exports rose by between 1 and 2 per cent in the half-year compared with a 3 per cent increase in the previous six months. But even this rise high UK interest rates. This owes a lot to higher oil exports has been reflected in the steady and sales of a wide range of manufactured goods fell during the first half of this year.

There has been a recovery in leficit of Elbn has been larger total exports in the last cou than forecast by the Treesury a of months after the poor first month ago when a deficit of quarter performance. £750m was projected for the first there may have been a per-half of the year with rough manent loss of some exports and there may be only a slow rate of The expansion of Britain's

was at "annual rates above the much worse but for a sharp. The expansion of Britain's upper limits of the ranges decline in the visible oil deficit main export markets is likely specified by the committee."

—down from a quarterly average to slacken from the autumn onof nearly £504m in 1978 to wards and the erosion of the £223m a quarter so far this year. UK's competitive position in the After adjusting for the last couple of years is likely to

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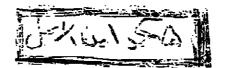
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The second secon



burden

#### ANGED ON 3-YEAR PRIVATE SECTOR PACKAGE

# Italian metal workers win new contract

BY RUPERT CORNWELL IN ROME

negotiations union leaders and greater say in company plan- system of wage indexation to employers' representatives ning, and significant cuts in retail prices. yesterday reached outline agree- their working week. ment on a new three-year labour

interrupted discussion, may well reach a new agreement.

2—The unions have won have a greater impact on the In the long run, the metal further rights to be consulted, national economy—OPEC oil workers' breakthrough means and have a say in corporate

for shop-floor approval in the building and other industries. 3—Cuts in the working week, companies concerned. Separate will probably be completed the most hotly-contested of all arrangements covering the fairly swiftly. The risk of a the demands in the original country's 300,000 State sector "hot autumn" of labour unpackage of claims submitted six metalworkers, held up at the rest has receded. last minute, are expected to be

-ratified shortly.
Employees in the sector, Alfa Romeo, have won substanin 1981. All these payments are Agreement has been reached for
tial pay increases over the life on top of automatic increases five previously suppressed

contract for Italy's 1.2m metal ment will end the recent severe back-pay, covering the period and engineering workers in the disruptions in key industries in from January 1 this year, when the North, particularly at the new contract was supposed.

The deal, initialled at the Fiat motor works in Turin, to have become operative. Labour Ministry here after a when workers expressed their Special seniority bonuses will final 12 days of almost un- frustration at the failure to also be improved

price increases excepted—than that other outstanding contracts any other single event this year. up for renewal, covering 3m The package now goes forward workers in the textile, chemical, future employment levels.

Employees in the sector, 1—Workers will receive an the last moment which embraces private groups extra L20,000 (£11) a month at The original claim was for a such as Fiat and Oliverti, and once, a further L13,000 (£7) in reduction to 36-38 hours per publicly-owned concerns such as mid-1980, and a further L13,000

AFTER SIX months of arduous of the contract till 1981, a under the "scala mobile"

They will also be paid, in two In the short term, the agree- instalments, about L120,000

> planning decisions, affecting both new investments and

months ago, appear to have been The main points of the largely granted by employers, private-sector agreement are: despite hostility almost up to

hence on Italy's ability to compete with foreign goods. The time for remunerative second week from the present 40 hours. employers do not appear to jobs.

in 1979 and 1980.

For the final year of the con-

take on (and get rid of) extra

temporary labour at their dis-

cretion. But the overall agree-

ment does not seem much to

their liking.
Sig. Walter Mandelli, chief

negotiator for Federmeccanica,

representing the private employers, said the talks were

the most tiring and bitter ever.

public holidays to be reinstated believe that productivity gains will offset the extra financial

Without doubt, the bargaining tract, a further 40 hours will be lopped off normal work has strained industrial relations schedules in a number of major in the engineering sector. Sig. Pio Galli, one of the chief union negotiators, declared that the In return, management have 'neo-liberal" ideas of Confinwon the guarantee of greater "flexibility," allowing them to dustria, the Italian employers association, had been defeated. bring on overtime working, or

Many economists and busi essmen also suspect that an indirect but far reaching consequence of the agreement will be to stimulate further Italy's thriving "submerged economy. One of the main reasons for the success of this, it is believed, lies in the rigidity of the struc-ture of major industry, especi-

the most uring and bitter ever.

The losers, he declared, were the Italian economy and the unemployed.

Whether be is right will depend on the impact the deal has on unit labour costs, and hence on Italian about costs, and the cost of the cost of



Outgoing Premier Giulio Audreotti (left) and PM-designate Bettino Craxi sit in church at the funeral of the Carabinieri

# Tough Christian Democrat line

TOUGH CONDITIONS laid down by the long-ruling Christian Democrats as the price for their co-operation have clearly emerged as the main obstacle to the bid by Sig. Bettino Craxi. the Socialist leader, to form a new Italian government.

This week, Sig. Craxi will hold his second round of consultations with other parties. These should settle, 2 way or the other, the fate of only the second attempt in 34 years to give the country non-Christian Democrat

Despite the splits within

Austria

stops fall

their own ranks, the Christian Democrat's at the weekend outlined three main conditions on which the largest single party would accept serving in government under a Socialist. Although the current round of talks is formally about the pro-

gramme for a new govern-ment, it is on this basis that the argument is proceeding. In the first place, the Socialists are being asked to

drop all reference to the so-called "left-wing alternative:" that is, their coming to power with the Communists. Secondly, the Socialists must forswear in Parliament

Communist support at any time. Thirdly, they must pull out of regional and local governments (where numerically possible) where they are in alliance with the Com-

On the extent to which Sig. Cravi can dissociate himself from these terms hinge his fragile hopes of success. At the same time, the Christian Democrats will try to pin him to a tough economic and lawand-order programme which Socialists' ties with the unions and the party's civil rightsminded supporters.

# Fringe groups demonstrate their discontent

BY ELINOR GOODMAN

in reserves were not elected but think they terday when they gave a press should have been. Both the AUSTRIA HAS stopped the temporary drain on its foreign exchange reserves and with the British Liberals and the Ecololowest inflation rate in western gists are to make protests over Europe, the monetary authorithe next few days with the Ecologists threatening to steal ties expect a manageable current account deficit this a march on the Liberals with what, by journalistic standards, Announcing this yesterday is a dawn Press conference.

Professor Stephan Koren, president of the Austrian National Bank, said that restoration equilibrium in the country's external payments remained the living than an appreciation of priority target. the January-May During period. Austria's foreign exchange reserves fell by just

over Sch 10.4bn (£346m) to Sch 75.9bn. But according to provisional figures, they rose again to Sch 77.8bn by the end About three quarters of the

fall in the first five months was due to the interest state dif-ferential between neighbouring Germany and Austria, as well "leads and lags" in international payments.

Prof. Koren estimated that some Sch 4bn to Sch 5bn represented purchases of German bonds by Austrian institutional investors, However, since mid June

when the Interest rate in Austria was raised for new issues from 7.25 per cent to 8 per cent, the drain on the reserves has been

Despite the increase in the bond rate, the discount rate has remained at 31 per cent since January 25 this year, and is now 14 points below German dis-

The year on year inflation rate in May was 3.1 per cent, lower than the latest figures for Germany and Switzerland and it

is expected that the average for 1979 or a whole will be between 3.5 and 4 per cent. Professor Koren said the estimate of a 4 per cent to 4.5 per

cent growth rate for GNP this year was realistic. It would mean almost a trebling of economic growth compared with last year. The better than expected performance is pri-marily due to foreign demand. primarily in Germany, as well as as to the domestic upturn. It remains too be seen

whether the latest forecast for a current account deficit of Sch16bn after Sch6bn last year the central bank has resisted pressures to ease the credit

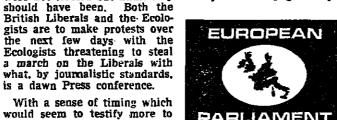
The rgulation that loans to business may rise only by 1.3 per cent per month has been prolonged until the end of the

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the virtues of healthy ecological media life styles, the Ecologists with like-minded independent conference to which they also expected to arrive in the city be waving flags and the signs MPs, have invited all the 400 asked, for reasons best known soon in a gesture of claiming were yesterday that they would reporters assembled in Strasto themselves, a Marxist what they regard as their right-be identical to the flags being bourg to a Press conference at ecologist from the German ful places in the Parliament, waved by the discontented 8 am today in the waiting room Democratic Republic. Having The deputation, led by Mr Ecologists:

of Strasbourg station. Half-a-dozen elected MPs most of them members of the group formed last week to repre-sent the interests of independent members in the Parliament of candidates who stood on the "green list" in various countries but failed to be BRITAIN'S LONE Scottish the number of MPs in the Euro- effective force in the Parliaregard as the unfairness of the

penalised the small parties be- Europ cause parties had to win at least crats 5 per cent of total votes cast assembly. to gain any seats.

electoral system.

STRASBOURG FRINGE intended to convey the idea of met at the station they will Russell Johnson, MP for its like springing up around a group arriving in Strasbourg lead what they hope will be a Inverness, was to have arrived looks like springing up around a group arriving in Strasbourg the European Parliament, consisting mainly of people who of them were in the city yes-



porters, waving flags and chant- from London was postponed,

crowded over the next few days. Numerous television crews were using them as an open- group a public goodbye. air studio yesterday. At one point a French singer was seen miming a song to the bemusement of Strasbourg workers who had decided to have their picnic lunch on the steps in the hope of seeing celebrities.

crowd of more than 1,000 sup- yesterday but his departure ing slogans, to the Parliament, partly to allow Mr Johnston to The steps of the European speak at Westminster and Parliament look like being partly, it is said, to give Mr David Steel, the Liberal leader, the opportunity to wave the

Adding to the throng outside the Strasbourg Parliament, the European Federalist Movement, which has been campaigning for closer links within Europe since the end of the war, is due to stage a further demonstra-Nine British Liberals are tion. Their supporters will also

# Ewing joins up with Gaullists

BY OUR STRASBOURG CORRESPONDENT

elected because of what they Nationalist member at the Euro- pean Parliament has increased ment. pean Parliament is to join to 410, independent members forces with the Gaullists in an will no longer get the oppor-Unlike the Liberals, who have postponed their demonstration, the Ecologists complaint is not lack of proportional representation but that the particular system of its many of the proportional representation but that the particular system of its many of the proportional representation but that the particular system of its many of the proportional representation but that the particular system of its many of the proportional representation but that the particular system of its many of the proportional representation but that the particular system of its many of the proportional representation but that the particular system of its many of the proportional representation but that the particular system of its many of the proportional representation but that the particular system of the proportional representation but that the particular system of the proportional representation but that the particular system of the proportional representation but that the particular system of the proportional representation of the proportional representation but that the particular system of the proportional representation but the particular system of the proportional representation but the particular proportional proportional representation but the particular proportional proportion representation but that the particular system of it used in join any of the six political join the new group specially unleaded with sample in the minimum formed to defend the interests proposed change in the minimum groups, has decided to join the formed to defend the interests proposed change in the minimum group size is approved by MPs penalised the small parties be
European Progressive Demo
of independent members. She rethis week. The signs are, how-(EPD) in the new

Last week she was asked to the

iected this, however, on the ever.

Yesterday she said that the EPD had promised to support her fight for the regions. Both the EPD and the group

formed last week to represent the independents could be join the new group specially threatened with extinction if a that the leaders of the grounds that the European established groups would not to gain any seats.

Mrs. Ewing, who represents Progressive Democrats, which agree to such a change if it (£6.23bn) and exports by only
The choice of the station for the large Highlands and Islands are dominated by the French meant any existing group being 2.3 per cent to SwFr 21.34bn
the press conference is seat apparently feels that now Gaullists, look like being a more broken up.

## Court to reopen Herstatt inquiry

AN IMPORTANT judgment by the Federal Court of Justice has given new hope to a group of former customers of Bankhaus I. D. Herstatt, the Cologue-based bank which collapsed in June, 1974. The judgment means that

Cologne court will again have to examine Herstatt's tangled affairs, in considering whether the Federal Credit Super-visory Office (BAK) acted correctly in the period lead-ing up to the Herstatt col-

Under a complex settlement agreement with Herstatt creditors worked out in lafe 1974, German credit institutes were to receive 45 per cent of their claims on the bank Foreign banks and munici-palities were to get 55 per cent and other creditors including private customers 65 per cent.

However, despite this accord, some of those private customers felt the BAK could have done more, for example, by instituting an early, secret examination of Herstatt's business on grounds that there were rumours of heavy

foreign exchange losses.

The group carried its complaint against the federal authorities into the courts but lost the first round in Cologne in

December, 1977. A further appeal to the Federal Court of Justice last week brought the judgment meaning the affair must go back to Colonge for further consideration.

The judgment defines the circumstances under which the BAK may have a particular responsibility towards the customers of a bank, as well as for the soundness of the tredit sector in general.

It says also, that the BAK may not be doing its duty if it falls to make use of its powers of scrutiny, despite receiving in-

change losses. The Federal Court decision does not mean that the private customers have virtually won

their case. It will be up to the Cologne court to decide— probably not before next war— how the general principles announced may apply to the particular circumstances of

Furthermore, examination of the affair will be carried out on the basis of German credit law as it existed when Herstatt collapsed. Since then the law has been tightened, giving the BAK wider powers for scrutiny and intervention.

Dr. Otmar Emminger, the Bun-desbank president says he agrees with an OECD estimate that the latest oil price rise may reduce West Germany's rate of real growth by around a half percentage point, Reuter reports from

In an interview with the finan-cial weekly "Wirtschafts-woche," he added that this might be 3-3.5 per cent instead of the originally expected 3.5- | cent.

The OECD made the estimate in its annual report on the German economy, published last

Swiss trade gap

The Swiss trade gap widened to SwFr1.58bn (£430m) for the first half of this year-92.4 per cent higher than the deficit for the same period last year, John Wicks reports from Zurich. Imports rose by 5.8 per cent over the six months to SwFr 22.93bn

# Irish GNP will increase only 2% this year'

BY STEWART DALBY IN DUBLIN

THE GLOOMIEST forecast yet of Ireland's immediate economic prospects has been given by Dublin's Economic and Social Research Institute, one of Ireland's most highly regarded non-governmental forecasting

bodies In its latest quarterly bulletin, the institute predicts that GNP will grow by only 2 per cent this year. This comper cent this year. pares with a recent forecast of 3.8 per cent by the EEC Com-

The Irish Government has not given an official prediction for growth this year, but privately members of the Government have indicated that they have reduced hopes from over 6 per cent growth to a rate of 5 per

cent If its prediction is correct the institute says there will be an increase of no more than 1 per cent in living standards.

The slowdown is due to higher oil prices and a series of domestic industrial disputes. The cost of imported ail (on which Ireland is 75 per cent dependent for its energy needs) will probably rise by some 30 per cent this year.

The extra £85m spent on oil will cause the balance of pay ments deficit this year to rise to at least £500m.

The institute reckons inflation will be 13 per cent for the year ending in November. This forecast coincides with one from the OECD which says that Ireland is now competing with Italy for the title of the most inflationary country in the EEC during the past six months.

Prices in Ireland were creasing at an annual rate of 15.5 per cent, according to the OECD, compared with Italy's rate of 15.6 per cent.

## Higher oil prices force Sweden to borrow more

BY WILLIAM DULLFORCE IN STOCKHOLM

as a result of the oil price cent of its energy requirements increases, according to Mr. from imported oil.
Ingemar Mundebo, the Budget In the spring, the Budget and Economy Minister. Earlier Ministry estimates had been that Swedish public sector borrowers would SKr 6bn in 1979. It has not raise abroad about SKr 9bn this raised this estimate to SKr 8bn year, around the same as in 1977.

The Liberal minority Govern-ment is expected to allow price increases for light heating oil and possibly petrol this week.

In a statement which appeared to be a warning to politicians formation of big foreign ext not to promise tax reliefs during the campaign for the September general election, Mr. Mundebo said there was no scope for a reduction in the total tax burden, although he did foresee shift from direct to indirect axation.

He expected a faster inflation

SWEDEN MUST borrow at least of the oil price increases. SKr 2bn (£212m) more abroad Sweden obtains about 70 per

of around deficit Sweden had a gross foreig debt of SKr 56.6bn at the end of 1978. Borrowings by the Kingdom itself, started only in 1977 and had reached just under SKr 11bn by the end of 1978 with a moderate increase of only

SKr 2bn last year.
This year the State Debt Office has stepped up its borrowing abroad and the Kingdom's foreign debt had climbed to around SKr 14bn by the end of April. Last month Sweden added a DM 200m (£50m) bond issue launched on the German market

Mr. Mundebo urged Swedes rate and warned that Swedes' to be scentical sowards promises living standards, would rise either of tax reductions or of more slowly, if at all, as a result higher social security payments.

## Investment forecast to increase 2% in France

BY TERRY DODSWORTH IN PARIS

LITTLE HOPE of a significant the national Statistical Office, for either this year or next.

In its latest review of com-pany intentions, INSEE says the real improvement in investment during this year will be about means real growth in 1980 2 per cent, with overall spending going up by about 10 per

> In 1980, It believes a slight improvement could occur, withoverall expenditure up by about 13 per cent, including inflation, compared with this year. But these first indications for next year must be treated with caution, it adds.

> company attitudes are being heavily influenced by the feeling that a marked improvement in markets is unlikely to occur. No significant shortage of investment funds is apparent, and in certain growth areas, such as

The main factor in any rise in industrial investment in acceleration of investment next. France is held out by INSEE, year will be expenditure planned for the glass and metals industries. In the metals sector. this will be significantly affected by the Government-backed reorganisation programme for the steel industry, which will involve pumping money into a wide ranging modernisation

> Apart from these two industries, the growth in investment is likely to be about the same next year as this. At present, the biggest

acceleration comes from the capital goods industry which will be spending about 15 per The survey indicates that cent more this year than last, including inflation. Consumer goods companies are likely to spend about 9 per cent more.

.In the unfinished sector, partly due to a decline in investments in the chemical vehicles and the oil industry, industry, the growth in expendi-money is being injected into ture will only be about ? per

#### Eanes is taking a big gamble by dissolving Parliament, writes Jimmy Burns New test for Portugal's young democracy By the terms of the Portu- and neck result between the that there could be a separation BY CHOOSING last Friday to dissolve Parliament rather than each a minimum of concensus



President Antonio Ramalho Eanes yesterday began his search for a caretaker Prime Minister to prepare interim elections in the autumn and to conduct essential state affairs, writes Jimmy Burns

The President, pictured above broadcasting to the nation on Friday, said he wind not dissolve the Portuguese Parliament officially until the political parties had given their approval to the new administration.

Although he has expressed

confidence that no obstacle

will be raised to the imposition of the temporary Government, the 11th since the revolution five years ago, the President could face some last minute difficulties. The new Government will

be in office for about three months and there could be some inconvenient quibbling from the parties as to what should be its precise powers

UNESCO, is being tipped as a

choice for caretaker Premier.

during this period.
Sig. Maria de Lurdes
Pintassilgo, currently head of the Portuguese delegation at

non - controversial

The general election expected in October could clarify the political confusion which has wracked Portugal following the failure of successive Govern-ment; to provide stability. But an autumn poli could also result in a stalemate which this weak young democracy would find difficult to sustain.

to impose a new Government,

General Antonio Ramalho Eanes, the Portuguese Presi-

dent, has taken what is perhaps the riskiest gamble of his poli-

tical and military life.

It is because of the risks involved that President Eanes has taken such a tortuously long time to reach a decision. Portugal has been in a state of gov ernment crisis ever since Dr Mario Sozres' minority Socialist administration collapsed at the Dr. Soares had argued the

possibility of an agreement between the Socialist and independent Social Democrats, even though both groupings were deeply divided about the feasi-Thursday evening, just as Dr. Soares was meeting the President, a party of independent Social Democrats told a group of forcion inversalists that as far of foreign journalists that as far as they were concerned no deal had ever been discussed with the Socialists nor would it ever

The politicians have failed to ceiling.

there is now a common convicion that non-party government nas become unacceptable.

The non-party formula was originally picked on by the President to give the politicians breathing space in which to bury some of their differences. But the result was quite the Particularly under the outgoing administration of Sr Carlos Mota Pinto, non-party

government politicians rather than soothed them. Matters came to a head when the Prime Minister suggested that it was time for a new political grouping to bypass the present Parliamentary framework. Far from playing a caretaker role, Sr Mota Pinto's Cabinet implemented a series of

controversial decisions which implied no less than the transformation of Portuguese society. These included the liberalisation of the nationalised banking system, the decollectivisation of land ownership, and a thorough bility of such a scheme. Last purging of the state-owned The politicians' patience was

than any of his predecessors. Christian Democrat coalition tian Democrats, which signifi-This caused the row over the will be entered of a majority : ; cantly, was signed as a treaty of extra tax on the 13th month bonus and the restrictive wage with the ceiling. extra tax on the 13th month

in 1980, even if Parliament is dissolved in the meantime. With this in mind, President Eanes own hope, as expressed. Eanes has specified that the to the nation on Friday, is autumn poll will be an interim that it should be interpreted.

election. Thus, the Portuguese in a positive sense by the President Eanes has specified that the autumn poll will be an interim one. Thus, the Portuguese people are to face four votes in less than two years: two general elections, one municipal, and one presidential.

one Presidential. The dangers are all too the vote a kind of Portuguese apparent. First, the politicians style "historic compromise" may use this period as a simple problems facing the country. electoral overkild leading to apathetic electorate and greater

political extremism. finally exasperated by Sr Mota believes that an autumn poll The Social Democrats, meanPinto's attempt to push through a tougher austerity programme and that the Social Democrattheir agreement with the Chris-

are to face four elections in less politicians. That is, they should than two years: two general be pressed into a broader con-elections, one municipal, and sensus that would express more fully the balanced options of

Judging by past performance, exercise in electioneering and it is doubtful whether such a ignore the pressing economic degree of flexibility can be found among Portugal's poli-Second, there could be an ticians. Nevertheless, there is some room for manoeuvre. The Socialist Party congress

extremism in March left open the possi- But there is a limit to govern-right-wing alliance bility of a post-electoral alliance, ment by burnayarders. cantly, was signed as a treaty of except Sondays, and holders U.S. second class misrage, paid at New York N.Y and at additional maillers.

guese constitution the next full combined votes of the Left in the future. This would prelegislative term cannot begin (Socialists and Communists) vent a polarisation of society until a general election is held and those of the right wing. and allow for a stable Socialist/ If the interim elections pro- Social Democrat coalition to duce no clear winner President last at least until 1980.

Eanes own hope, as expressed for stability is what is to she nation on Friday, is needed in a country which faces

a number of economic commitments. These include: a renegotiation of its standby agreement with the IMF, the raising of prices including fuel and transport in order to make present budget allocations compatible with the public sector deficit target; and finally, the imple mentation of a coherent wages policy in a year when more than 200 collective wage contracts are due to be negotiated.

The unpopular nature of these decisions would make it tempting for whichever government emerges from the October election to stall rather than risk losing the "big one" in 1980. Clearly, testing times are in store for Portugal's democracy. Until now the system has survived, despite the list of government crises, because the civil servants have been there to carry on with the day-to-day business of running the country.

ment by bureaucracy and the

growing irrelevance of politi-

over, act as a powerful deterrent

boldly and decisively, but in its

four-month life its pace has faltered and slowed. At a time

when the reckoning of past mistakes is still going on,

The balance of power between

paralysed of all are the provin-cial administrations, where the

Governors-General, appointed by

the Prime Minister, have fre-

quently found themselves to be

the weakest of three rival ele-

in deaths occur frequently, as

in Zanjan last month.

In Tabriz, a city of some 650,000, there were 34 rival

committees last March. Each

would arrest and detain those

they considered to be counter-

revolutionaries or wrongdoers.

first Governor-General for the

province, Mr. Rahmatullah

take up his post, he found gun-men installed throughout his

official residence, including his

bedroom. "We are here to help

you," they told him. It took

him two weeks to establish his

In a frustrating two-month

came over attempts to gain con-

trol over Tabriz jail from a

committee of no known affilia-

tion. Turned away himself,

Mr. Moghadam instructed his

chief of police to take action.

He in turn failed, and was

In despair, the Governor-

member of the anti-Shah move-

administrators followed suit.

replaced.

When the Islamic republic's

oghadam-Maraghei, arrived to

sation to organisation.

Initially the Government acted

#### S. African amnesty for illegal workers

THOUSANDS OF black workers working illegally in urban areas in South Africa may now be registered by their employers under a temporary concession announced by the Government.

Enforcement of a drastic increase in the fines payable by employers of so-called illegal workers, from R100 (£53.6) to R500 is to be postponed until

The Government announcement follows warnings from racarelations workers and politicians that the rigid enforcement of influx control laws aimed at preventing rural blacks from seeling work in the urban areas, would cause a further big increase in black unemployment. The move was welcomed yesterday as a significant conces-sion for individuals who have run the risk of summary arrest and deportation to the tribal bomelands, but it makes no change in the underlying influx control system.

The concession only applies to workers who have worked for the same employer for at least a year, or who have worked in the same area for at least three years. The Western Cape, which has attracted large numbers of illegal workers from the homelands, is excluded, as are blacks

from outside South Africa. Credit for the concession is generally aftributed to Dr. Piet Koornhof, Minister of Co-operation and Development. He was under pressure not only from liberal politicians, but also from employers and homeland leaders, who feared the consequences if thousands of unemployed were forced back into the impoverished rural

There are no official estimates of the number of illegal black workers, although the huge Soweto complex outside Soweto complex outside Johannesburg alone is believed to have a population of 1.5m compared with a "legal" figure

Mrs. Sheena Duncan, national vice-president of the Black Sash, which advises blacks on their legal rights, believes the administration boards will be inundated with requests for registration, although officials maintain that only a few thousand workers are affected.

Dr. Nthato Motlana, chairman of the Soweto Committee of Ten, said the Government should scrap "the entire iniquitous and oppressive pass law and influx control system"

# Decision-making in the Ayatollah's republic

The complexities of multiple government in Iran are examined by Andrew Whitley in Tehran.

smashing in Iran, some pas-sengers travelling on all Iran Air jumbo jet say from London to New York, might still be sur-prised to find that the airline, which used to boast of its sophistication and fast rate of growth is no longer serving alcohol on any rentes, not even the fiercely competitive trans-

They ought not to be surprised. New regimes are usually keen to prove their credentials at kome and abroad with symbolle gestures. As Dr. Mehdi Bazargan, the Iranian Prime Minister, told the Men head of Iran Air, Mr. Husbang Tajadod, when he went to protest against the decision, "we are an Islamic Republic and must be seen to be applying our principles

What happened then sheds light on the involved process of decision-making in Iran which affects not only those who want a drink but those having any dealings with that country. In fact, the ban on inflight alcohol was not a straight-forward matter of policy put into effect. The provisional Government had far more important matters to worry about than its revolutionary purity in the skies. The pro-

An Iran Air passenger and an airline steward were said to have been offended by the way in which the airline continued to serve alcohol on international \_\_\_routes defiance of a pronouncement by Ayatollah Khomeni against intoxicating spirits (the Government liself had not said anything on the issue of drink, an intrinsic part of Persian as opposed to Moslem

cess went something like this:

culture). the individuals complained to the iman's Committee, Khomeini administrators headed by a senior clergyman, in Tehran, by passing completely Iran Air's management and the Civil Aviation Organisation.
The Committee contacted its

of Qom, which is rapidly developing into an alternative capital. The issue will have been discussed by whichever mullabs happen to be on duty that day in Khomeini outer office. Those peresent prob-ably included the religious leader's son, Ahamed Khomeini, whose influence is growing decision banning alcohol on Iran Air will have been made there and they, and conveyed

Tehran by courier. Mr. Hashemi Sabaghian, the

tion, the Iran Air management his own power structure. to persuade him to reverse the order, he was told: " shall give you more pilgrims to Mecca instead." Mr.

old acquaintance with a key member of the Government such as Dr. Ibrarim Yazdi, the Foreign Minister, are equally essential. The top layer of Government posts is made up solidly of a small group of families with long and close ties to the clergy.

. Much is made in Iran these

days of the "multiplicity of decision making centres," as Dr. Bazargan says, or to the existence of two parallel governments at the top and "a government within government" further down the ladder. Essentially this refers to the clergy and the committees. Before the revolution and in the days immediately after the clergy's role was said to be a temporary one. Since then it

conveyed the 90 miles to the appointed Bazargan Govern-

As for the committees responthen Deputy Prime Minister sible for local security and for Transitional Affairs, who general "defence of the revolu-acted as a Jack-of-all-trades in tion," the Prime Minister's rewhat is a fluid and inter- peated attempts to secure their changeable inner Cabinet, abolition or neutralisation under then despatched a letter to the Government have met with Mr. Tajadod informing him of no success, because of Ayatollah Khomeini's refusal to eliminate Already badly hit by the revolu- the grass-roots fighting arm of

Shi'ite Islam, the State cost them \$40m a year in lost religion, does not recognise a passenger revenue. But when defined hierarchy of authority, Mr. Tajadod, a highly ex- but to cope with the task of runperienced airline man, newly ning the country an informal appointed by Dr. Bazargan. structure resembling an in-saw the Prime Minister to try verted pyramid has been worked out among the clergy-adminis-We trators.

Mr. which deliberately excludes the Tajadod was later replaced. majority of the top seven Shia
The principal criterion for Ayatollahs from the decisionmembership of the administrat making process. On this basis, the new Bazargan man, seized power for themselves in for prayers led by the managing role against the Shah, and have

> ago had been almost forgotten executive body familiar to the in his exile. Alarmingly for West. liberals and the uncommitted,... Ayatollah Khomeini's status nationalise all banks, rather forces away from the political among his followers has now than just a few on the brink arena. become near divine. His long of bankruptcy, came from the daily speeches are treated as council, probably on the advice infallible wisdom.

general as well as specific sulted. issues, such as the break in

through handwritten letters tive set-up is intended to outlast ranking foreign delegations to the appointed Bazargan Govern-ment and its elected successors. the more incongruous recent encounters was that between the Imam and a New Zealand meat delegation, keen to assure Iran its lamb was slaughtered in accordance with Islamic principles.

At 79, Ayatollah Khomeini remains in good health though the danger of martyrdom, to which he says he looks forward, ever-present. Unfortunately, Iranians are gradually becoming aware, he has no natural successor among his own followers.

Beneath him is an influential group of perhaps 20 or 30 clergymen, many of whom are his former theological students, now in their 40s and 50s. Most Remarkably, it is a structure are still hojatullislams — the second rank in terms of learn-

They, probably with a small tion or a senior pest in a state it could, and has been, argued number of lay figures, are agency is religious piety. Pepthat a group of clerical hard-thought to make up the pering one's speech with quotaliners unrepresentative of the Revolutionary Council, which is tions from the Koran is a mark body of opinion in the country, in day-to-day terms the real power centre of the country. Many big enterprises in Iran February, in the wake of Nothing has ever been said in these days stop work at midday Khomeini's standard-bearing public about the council's composition and working methods, irector.

since devoted themselves to but it is generally accepted
But family relationships and consolidating their position. that the council functions in Acknowledged supreme and the manner of a cabal, in which unchallenged at the top is the decisions emerge by consensus Imam, the leader, as he is and in which there is a floating universally known within Iran, membership, rather than being the man who until 18 manths the type of carefully defined

> Last month's decision to of their economic theoretician, He acts in many ways as the Mr. Abolhassan Bani-Sadr. unofficial Head of State, Typically, when the decision receiving visitors from abroad, was made and passed on to the approving Iran's ambassadors, Prime Minister, the government examining legislation and officials most concerned were issuing policy directives on not informed, let alone con-

Most major items of business diplomatic relations with Egypt. originating within the secular through. To a greater extent than administration, such as the areas Ministers or department

to Khomeini first for their con- their committees. to Khomeni mist for includes the force release. Professional insecurity within the provisional administration, cluding Dr. Bazargan, do not as well as a revolution which annear to attend the council's many fear is not yet completely

Instead each Thursday the to decision-making. Cabinet makes a pilgrimage to Qom to discuss the issues of the day with Khomeini. At those sessions outsiders, such as big bazaar merchants, are sometimes invited to participate. In managers are frightened to take any decisions. a homely touch contrasting with the style of the former regime, the Bazargan party to Qonusually travels in a minibus.

managers and their committees varies enormously from organi-Parallel to the Council, and overlapping to some extent, are the revolutionary courts (to whose headship the controversial religious judge, Sadegh Khalkhali, publicly laid claim), a Revolutionary Prosecutor-General, the Revolutionary Comiog and popular acclaim, rather mittees under an Ayatollah: than Ayatollahs. ments—the civil administration, the local clergy under a Khoand the Revolutionary Guards, meini nominee and warring the Pasderan. In charge of the armed bands calling themselves committees. Clashes resulting guards is a relatively young

> Hojatullislam Lahouti. To the distaste of many professional army officers still serving in middle-ranks, the armed forces have had to work side by side with the Pasderan, aggressive young zealots strong commitment and low on

clergyman close to Khomeini.

training. The armed forces are being but back together again as conventional fighting units with traditional discipline. Apparently backed by Dr. Bazargan, the commanders are making strenuous efforts to wean their

authority over his own premises. But politics can split the military, as seen in the recent period, the primary need to decision by General Said Amir establish law and order left him Rahimi, head of the military no time for any other issue, including the region's pressing police, to defy his dismissal by the Defence Ministry economic problems. The crunch

After an unpromising start, the rebuilding of the army has become one of the few areas in which considered Government policies are being carried In nearly all other

General then went to see Ayatollah Khomeini in Qom, who despatched a personal envoy to sort out the problem. The envoy recommended a compromediately tried and executed. clergyman refused to give his agreement. Unable to continue,

"Demonstrations would be free, throwing hand grenades

#### Sadat to make OAU plea in person

By Mark Webster in Monrovi

PRESIDENT ANWAR SADAT of Egypt faces an uphill battle to win support from African countries for his peace treaty with Israel during the Organisation of African Unity's Heads of State meeting which opens in the Liberian capital, Monrovia today.

A resolution produced by the OAU's Council of Ministers. which has been meeting for a fortnight, condemns the treaty but stops short of condemning Egypt.

Despite lobbying from the North African states and Libya, the language of the resolution is expected to leave individual countries some room for

manoeuvre. With Egypt isolated from the rest of the Arab world, President Sadat desperately needs friends in Africa. It is with that in mind that he has decided to make a personal appeal to the

OAU, despite the security risks. growing number of leaders in Africa which would prefer to back, what they see as, the moderate line of President Sadat against the hard-line Arab states. Those holding this view argue that confrontation with Egypt is not the way to gain a lasting peace in the Middle East. They are also believed to be disappointed with the way that Arab aid policies have been car-

ried out in Africa.
Col. Musmmar Gaddafy, the
Libyan leader, is not expected to attend, although he is concerned with another controversial matter on the conference agenda-the recent conflict between Uganda and Tanzania. Libya intervened inefectually on the side of President Idi Amin of Uganda.

Libya and Sudan have condemned Tanzania for what they say was a violation of Uganda's sovereignty and interference with its internal affairs. Tanzania says it was retaliating Tanzania in October 1978

The matter will almost certainly be discussed in secret session and African opinion is tries agree that the removal of Amin was desirable but are mise, but the local senior afraid of the precedent.

On the issue of Zimbabwe Rhodesia the OAU is by no Mr. Moghadam, a distinguished means unanimous although it has refused to allow a delegament, resigned in disgust, and tion from a string of other previncial Muzorewa's Bishop Abel Government to

# Defence Minister submits his resignation

Taqi Riahi, Iran's Defence Minister, submitted his resignation yesterday after a row over his dismissal of the country's hardline military police chief.

Gen. Said Amir Rahimi last week defied the Minister's dismissal order and was later to the Bazargan government

confirmed in his post by Ayatollah Khomeini.

Gen. Rahimi yesterday asked to be given command of Iran's entire western front. where fresh violence has flared among the minority Arab population. He had 3,000 men on stand-by to travel to the

southern oil Khuzestan, he added, On Sunday, a grenade was thrown into a mosque in the province. killing seven Government Supporters and injuring 60.

Five men alleged to be members of the Black Wednesday Arab guerrilla group were arrested and

Gen. Rahimi said he would impose law and order in Khuzestan Province, "based on the principles of discipline and freedom."

The Institution of Professional Civil Servants is in dispute with the Civil Service Department over pay - or, rather, over the principles upon which rates of pay are agreed.

The Institution's members in the Professional and Technology grades are being invited to accept a change in criteria which will lead to an effective cut in their relative salaries and a real reduction in their standard of living. This is unfair.

The following information is intended to explain why the Institution, its National Executive Committee, and its members feel it right to resist this unfairness by every legitimate means.

#### Who is affected?

About 65,000 civil servants whose training, experience and qualifications in work of great value to the nation have, for a number of years, been rewarded on the basis of pay principles of considerable simplicity (as we shall explain below)

They are, for example, architects, chemists, engineers, surveyors, and technologists of every kind. They work at Royal Ordnance Factories, in the Royal Dockyards, at the Clyde Polaris Submarine Base, at Atomic Energy Research Establishments, at Scotland Yard, at Heathrow, at the Royal Aircraft Establishment at Farnborough, at Aldermaston, in the Health and Safety Executive, in the Royal Mint and hundreds of other places where work vital to the nation is carried out. Useful people, you might think. Worth paying properly, too.

#### What were the principles up to now?

Very simple in essence. Comparison with similar jobs in private industry is the agreed method of settling the pay of most civil servants. So our members' work was compared with that of similar staff in seventy-five organisations outside the Civil Service. From these outside pay rates an agreed "median" salary (i.e. the middle one of the whole range of salaries) can be

This is conventionally used in most Civil Service pay settlements. However, because of the special nature of our members work it has always been accepted that they deserved "pay somewhat above the average" (to quote the Report of the Royal Commission on the Civil Service). This has been agreed time after time by the Civil Service Department and confirmed: by the Civil Service Arbitration Tribunal as is shown in the following table:

	1965 payagreement medians+	-11%
	1969 payagreementmedians+	13%
	1972 pay agreementmedians+	15%
-	1974 arbitration awardmedians+	20%
	1975 payagreementmedians+	13%
	Contrast that history with the situation in 1979:	h.
	Civil Service Dept offer: medians+NOTH	NG!

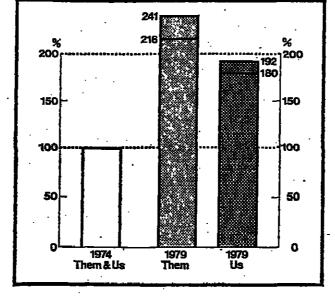
You will immediately conclude that, obviously, there <u>must</u> be a reason. But the Institution of Professional Civil Servants cannot imagine what it can be; nothing has changed since previous settlements. And the Civil Service Department won't tell us. Perhaps they can't imagine what it could be either!

# What do the figures really

The easiest way to show why our members are so upset is to compare the 1979 offer with the salaries of those who are used as comparisons outside the Civil Service.

The 1974 salaries of those outside the Civil Service and those inside are represented by the 100% bar in the left hand column of the chart. That is the year of the Civil Service Arbitration Award. In 1979, those <u>outside</u> the Civil Service are being paid between 216% and 241% of their 1974 salaries. That is represented by the lightly dotted bar. (During the same period earnings generally as measured by the official index have moved by 240%.) Those inside - our members in Professional and Technology grades - are being offered between 180% and 192% of the true value of the 1974 award. That is the darker bar in the right hand column.

You see why we describe this as "effectively a cut in salary and a positive cut in living standards.



#### Why not arbitrate?

Anatural question - especially in view of the fairness of the 1974 award. But arbitration is only right when the processes of negotiation. are exhausted. The Civil Service Department will not even start negotiations on the issues in

#### What should be done?

There is a simple way to bring the dispute to an end. The Institution is very ready to accept that an independent conciliator should bring the two parties together and assist them towards a solution. Isn't that a responsible attitude and shouldn't the Government respond?

You may now see why our members feel that they have been attacked by their employers and therefore have to defend themselves against what by any standards is unfair treatment. But the Civil Service Department is not really our employer - the Government is! And it represents the whole nation. It represents you.

# **DoYOU want a** fair settlement?

Further information from The Institution of Professional Civil Servants, Northumberland Street, London WC2N 5BS.

# Carter sets saving target: 4.5m barrels of oil a day

BY DAVID BUCHAN IN WASHINGTON

taken two immediate steps- have reached by 1990. imposing quotas on oil imports and taking controls off the price term measures, many needing Congressional approval and goal of saving an extra 4.5m next decade. barrels a day of imported oil by As an im

The Administration claims 8,2m b/d on oil imports for has cut U.S. import needs projected for the year 1990 by 4m h/d. Taken with the new threaten national security. measures, this will reduce U.S. This is 300,000 b/d below oil imports by the end of the 8.5m b/d ceiling that Mr. Carter 1980s to 4.5mb/d, according to promised Western leaders last California. "Heavy" oil will figures released by the White month at the Tokyo summit for also be exempt from the wind-House, compared with the 13m 1979 and 1980. The new quotas fall profits tax

Japan concern

at plan's impact

might have on its own position barrels per day.

as an oil importer.

APART from giving President also be under pressure to aim Carter's new energy saving for the lower end of the import programme a warm official wel- target adopted for Japan at the

come, Japan appeared yesterday Tokyo summit. Japan undertook

to be preoccupied with the to keep its imports in 1985

impact which the Carter plan within a range of 6.3m to 6.9m

Japan is the world's second something of a squeeze on

largest importer of oil after the Japan's growth rate over the U.S., with an average of 5.4m next few years unless the

barrels a day expected in 1979 Government can achieve a break-against the U.S. figure of 8.5m through in current efforts to

barrels. Halving U.S. imports by economise on oil imports and

the end of the 1980s might mean develop new sources of energy. that Japan would become the world's biggest importer and Government has been consider-

thus the country most exposed ing redrafting its almost com-

import saving.

Japanese officials are not yet ports. Various measures have certain of the feasibility of the also been proposed for encourag-

new U.S. plans, but if they are ing alternative energy sources.

realistic, Japan will be under including the introduction of a strong pressure to intensify its new tax to finance energy own oil saving efforts. It will research.

Some sceptics in London

BRITISH Prime Minister Mrs. instance, it was felt that the pro-

Margaret Thatcher is expected gramme for developing solar

Mrs. Thatcher was among difficult to attain, bearing in Western leaders who told Mr. mind the long lead times

Carter at the Tokyo economic involved and the environmental

imports. Now that the President industry was pleased that Mr.

has proposed an ambitious pack- Carter is to tackle the web of

British Prime Minister will feel to develop domestic energy. Two

that her support is incumbent, omissions surprised London

It is unlikely that she will criti- energy analysts, the President's

However, within the oil power in his package, and the

industry in London, senior com- lack of action on bringing U.S.

pany officials were sceptical fuel prices more in line with

about some of the plans. For the rest of the world.

age to achieve that aim, the red tape enmeshing those trying

to lend her support to President energy was far too ambitious.

BY RAY DAFTER, ENERGY EDITOR

summit that the U.S. must take constraints.

Carter's energy plans when she

urgent action to reduce its oil

cise details of the proposals.

reports to Parliament today.

to international demands for pleted seven-year economic plan

Mr. Carter's programme actually goes well beyond his of so called "heavy" oil-and Sunday night pledge that the has outlined a range of longer U.S. would never use more foreign oil than it did in 1977. It plans to cut the current U.S. financing, to meet his ambitious oil import levels in half over the

As an immediate start, the President has set a quota of that earlier energy legislation 1979, a step that he can take on his own under a 1953 law allowing him to limit imports that

This is 300.000 b/d below the

The 6.3m figure could impose

to allow for restricted oil im-

Similarly, the proposals for synthetic fuel production may be

On the other hand, the

failure to include, nuclear

PRESIDENT CARTER has b/d level they would otherwise will be announced year by year, and 1980's has not yet been

worked out The immediate impact of the quota will not be severe because it roughly matches the average level of imports so far this year In addition, the current U.S. nomic slowdown is beund to hold down industrial demand for

Another executive action the President has taken is to re-move all price controls from heavy" oil, a tar-like crude which must be heated for ex-traction. The U.S. is estimated to have reserves of around 10bn barrels of heavy oil, mostly in

# Carter's Energy

# welcome

By Roger Boyes in Bonn THE WEST GERMAN Government, welcoming President Carter's energy statement yesterday, expressed the hope that Congress would approve the proposed programme of import quotas, research and

that it would welcome the lifting of oil price controls-not mentioned in the Carter prices with those of the other industrialised countries. A Government spokesman also come an explicit commitment

Kathy Bishtawi adds from Sharjah: Mr. Giscard d'Estaing, the French Presinew energy strategy as an "important step in line with the spirit of the Tokyo sum-

# Europeans proposals

conservation.

# **Package**

Rut Bonn also indicated declaration—and the approxi-mate alignment of U.S. oil made clear that it would welto the continuing use of

nuclear power.

# Moderates in Sandinista cabinet Paper machine to S.A.

BROADLY-BASED politically moderate cabinet has the Somoza regime last year, been named by the five-person and later fled Nicaragua. provisional government council of Nicaragua amid reports that the central bank has been General Anastasio Somoza is to named as Sr. Arturo Cruz, an leave the country today.

Sr. Sergio Ramirez, a member of the council, announced in San Jose, the Costa Rican capital, that 18 ministers and six supreme court justices had been named. Sr. Tomas Borges. one of the leading Sandinista guerrilla commanders, is pro-visional interior minister and the Rev. Miguel d'Escoto, a priest of the Maryknoll missionary order, is to be foreign

The defence minister is to be Colonel Bernardino Larios, a and the naming of conservative

The provisional governor of

economist who was till last month working at the Inter-American Development Bank in Washington. The economy minister is to be Sr. Roberto Mayorga, formerly secretary-Cuadra Chamorro, a lawyer and economist, formerly of the privately-owned Banco de America in Managua, is to be finance minister. The agricul-ture portfolio went to Sr. Ricardo Coronel, professional agronomist

The provisional appointments. figures to the supreme court, appeal.

Guard who sought to overthrow the Somoza regime last year, and later fled Nicaragua. counters allegations from the U.S. and elsewhere that the anti-Somoza movement is in the hands of "extremists."

Some of the appointments have not been divulged for fear of reprisals against appointees in Government-controlled areas. A full list was given to Mr. William Bowdler, the veteran diplomat who is effectively U.S. general of the Central American Ambassador to the provisional Common Market. Sr. Joaquin government in San Jose. Some reports from the U.S. indicate that the Carter Administration is prepared to let General Somoza settle in

Britain announced yesterday that an RAF Hercules from Belize was to airlift 150 tons of food from Panama to Managua in response to a Red Cross

## **Dowty in** India aero supply deal

THE Dowty Group has negotiated a multi-million pounds agreement with Hindustan Aeronautics of India, for the supply and licence-manufacture of a range of Dowty airframe and engine equipment items for the Jaguar combat aircraft for aerospace correspondent.

the Indian Air Force, writes The Dowty Group produces parts for the Jaguar, including landing gear, reheat fuel and nozzle control systems for the Adour engines; hydraulic syscomponents; electrical, electronic and sealing products: precision castings and UHF

Meanwhile Singapore Airlines has signed a \$50m loan agreement with a syndicate of banks lead by Morgan Grenfell, the Royal Bank of Canada and the Scandinavian Bank. The loan is Singapore Airline's first approach to the syndicated Eurodollar loan market.

#### £10m GEC contract

GEC Gas Turbines has been awarded a turnkey contract, including all civil works, worth about £10m to supply a gas turbine generating plant to the Public Power company of Athens for installation at the Lavrion power station situated 40 miles from Athens. The plant consists of two GEC EM610 heavy duty industrial gas turhine generating sets and all associated auxiliaries equipment, switchgear and transformers and will be used on base load and peaking generation service to supplement the existing steam turbine power plant at the Lavrion station, a GEC announcement said. The plant is to enter commercial service in early 1980.

#### Romanian credit

Morgan Grenfell has signed two U.S. dollar buyer credits, each of which is the first dollar buyer credit in the country concerned. A loan of \$2.4m has been made available to the Romanian Bank for Foreign Trade to help finance a contract worth \$2.9m hetween Motherwell Bridge Engineering and LSCE Romchim. A loan of \$3.5m to Oman will help finance a contract between the Ministry of Electricity and Water in Oman and Mirrlees Blackstone of Stockport. Both loans are guaranteed by the Export Credits Guarantee Department.

#### Brazil loan

The Ex-Im Bank has tentatively approved a \$24m loan and a guarantee covering \$12m in private credits towards Brazil's first nuclear power The agency has since late 1971 approved \$110m in direct loans and guarantees for about \$78m in private credits for the construction of the Angra dos Reis nuclear power plant on the Brazilian coast between Rio de Janeiro and Sao Paulo. The additional financing the project had gone up.

Mondi Paper has awarded contract to Beloit Walmsley, of Lancashire, valued Lancashire, valued at \$20m, to supply a newsprint machine to be installed at Mondi's Merebank Mill in Durban, South Africa. This machine will be the fourth to be installed since commencement of operations in 1971 all of which have been supplied by Belnit Walmsley. Mondi is the principal supplier of newsprint to the South

#### UK yarn to USSR

British Celanese, a Courtaulds subsidiary, has obtained an order from the Soviet Union for £5.5m worth of yarn. The company announced that the material will be manufactured at its plants near Derby and Coventry. It is the company's biggest order from the Soviet Union in 26 years' trading.

#### BRITAIN'S LEADING EXPORTERS

# BP leads, BL and GEC move ahead

again the UK's largest exporter to fifth place in the table with Industries. in 1978. Among non-oil com- an increase in exports of nearly. The list is based on figures are imports not taken into panies BL regained what it £150m. regards as its rightful place ahead of ICI and Ford.

little different from 1978.

The gap between the top four places of their 1972 ranking because of the timing of conexporters and the next group of There are, however, several tract completions.

The figures given in the table to the attention by the companies is still substantial.

The figures given in the table to the attention by the companies of the list. These include EMI, do not give a full picture of panies concerned.

Ford's export performance in published its annual league direct from companies. Except 1978 was affected by a long table of exporters. It is striking where otherwise stated, the strike, while the apparent that virtually all the companies figures relate to the financial Rank Xer, decline in ICI's figures reflects which figured In the 1972 list year which ended in 1978. It important the hiving off of IMI towards (which contained only 75 com- should be borne in mind that As stated in previous years, the end of 1977. Excluding IMI. panies) have retained their a company's exports, especially it is almost impossible in a ICI's 1977 exports were £864m, positions; most of them are in capital goods, may fluctuate ranked in 1978 within a few erratically from year to year

BRITISH PETROLEUM was last year, rising from seventh Fisons, Weir and Blue Circle

This is the seventh year in tured goods, as published in which the Financial Times has annual reports or obtained

a company's contribution to the balance of payments. Not only for direct exports of manufact account, but the figures also exclude other forms of overseas income, such as royalties and licence payments, which for companies like Pilkington and Rank Xerox are particularly

> it is almost impossible in a list of this kind to avoid some errors and omissions. It is hoped that these will be brought

#### THE TOP HUNDRED EXPORTERS-1978

Previous year's ranking is given in brackets

		1978	1977	1 -		1978	1977				1977
		£m	£m	i		£m	£m				£m
1 (1	) Brit. Petroleum	1,259	1.188	36 (38	) Piessey	·120	94		54) Burmah		75.2
2 (4		910	854	37 (34		716	110	71 (	91) Blue Circle Ind.		47.4
3 (2		856*	936	38 (37		115	95	72 (	57) Delta Metal		7.1.0
4 (3		775	894	39 (36		113	704	73 (	45) Tate and Lyle		87.D
5 (7		665	524	40 (39		109	94	74 (	62) Monsanto 📑 📑		<u>70. î</u>
6 (5	,	654	623	41 (31		1059	112	75 (	77) BOC International		55.9
7 (6	British Aerospace	487	536	42 (47	,	102 102	85	76 (	78) Du Pont		55.8
8 (9	Unitever	468	429	43 (53		97.3	753	77 (1	80) Grand Metropolitan		54.B
9 (8	Royal Dutch Shell	423	440	44 (43			89.7	· 78 (	75) Booker McConnell		58.7
ió (ìo		388	405 ·			95.2	129	79 (	99) Metal Box		43.5
7 711	Massey-Ferguson	364	369	45 (27 46 (49		94.4	83.5	80 (-	—) Yickers		40.5
2 (12		361	295	,		.94.0	87.4	81 (	74) Coats Patons		60.0
3 (13)		341	285	47 (44		93.45	57.7	82 (	58) D. Brown Tractors		71,0
4 (14)		334	264	48 (76		93.44	83.0	83 (	81) L.C. Bamford		53.0
5 (15)	) Distillers	300	245	49 (50		. 92.4	91.0	84 (	87) Rowntree Mack tosh		#9
	Tube Investments	2301	148	50 (42		90.0	91.2		4) Imperial Group		51.9
6 ( <i>1</i> 2) 17 (17	Yauxhail	229	195	51 (41		89.1			8) Rolls-Royce Motors	60,3	45.2
	) Brit, Shipbuilders	228t	173	52 (40		. 89.0	91.9	87 (	92) Pilkington		472
8 (-	Chrysler UK	209	176	53 (56		<b>87.</b> 7	72.0		85) Decca	59A	51.8
9 (19)	Esso Petroleum	207 207	1515	54 (55	) Wellcome Fndtn.	87.2	73.0		3) Esso Chemical	58.2	520
0 (46)	BICC	196	273	55 (66	) Acrow	87.1	67.7		94) Molins	57.9	467
(16)	GKN	193	175	56 (51		85.0	82.6		20) Arthur Guinness		18.3
2 (20)		175	154	57 (59	) Reed international	84.6	70.6		70) Alcan UK		64.9
3 (22)	BAT Industries	168	67	58 (61	) Simon Engineering	83.3	70.2		—) Polaroid		42.2
4 (67)		167	157	59 (69	) Beecham	<b>82.5</b>	66.2		—) Westland		67.7
5 (21)		155	140	. 60 (64	) Stone Platt	82.3	69.6		6) Assoc. Engineering		46.0
6 (25)		· 153.2		61 (71	) Gulf Oil	81.9	64.5	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	79) Tootal		552
7 (28)	Conoco		122 💥	62 (60		80.7	70.3		-) Berec		41.9
8 (52)	Babcock & Wilcox	152.7	82	63 (48		79.9	83.7		-) Marks and Spencer		2.01
9 (24)	Duntop Holdings	152	141		) De La Rue	71.7	66.5	,	—) Dowty		2.4
0 (26)	Caterpillar	. 144	139				69.8		, =,		11.7
1 (18)	Inco Europe	140	183		) S. Pearson	76.7		,	-) Borg Warner		
2 (29)	Rank Xerox	136	117	66 (65		75.5	68.1	* 197			
3 (30)	Ciba Geigy	128	116	67 (73		74.8	63.3	Britis		លល់ជា ១៩៧	
4 (35)	Thorn	123.9	116	68 (72		73.3	64.5	·			<b>93</b> 1
5 (32)	Glaxo	123.8	112	69 (33	) Davy	73.0	111 1	year.	** Year ending January	51, 1717.	<u></u> .

#### SAUDI PETROCHEMICALS PLANT

# Japan may increase project size

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

vehicle industries look more to 400,000 but then add a fur-

to 305,000 and by a further 8 ment between Volkswagen and

FERODO, THE French vehicle missions company which has a

recent takeover of SOMA, a from aluminium and can be

components group, is aiming to branch in America.

European commercial this year compared with 1978 Benz.

ter of International Trade and tons of ethylene per year Industry had promised a major instead of the originally proincrease in the size of a petro-jected 300,000 tons. constructed in Saudi Arabia by ject itself was still under study. The Japanese Government is the Mitsubishi group caused a certain amount of confusion when they reached Tokyo.

The Saudi petrochemical pro-ticipation has yet to be decided. constructed in Saudi Arabia by ject itself was still under study yesterday.

Corporation, one of the prime material is now the subject of company "could not confirm" out by Saudi Arabian Petro-Masumi Esaki, the Trade Minis- tion a Japanese company with of

and 1980, according to a report year.

Germany this year will rise by producers.

from the Economist Intelligence

3 per cent from the 1978 level

BY TERRY DODSWORTH IN PARIS

apacity in the U.S. following its

per cent to 320,000 in 1980.

Unit.

REPORTS THAT Japan's Minis- would have a capacity of 450,000. Eshed early this year.

esterday. ject, which will use locally pro-A spokesman for Mitsubishi duced natural gas as its raw announcement of Mr. chemical Development Corpora-

THE PROSPECTS for the lead- to rise by just under 1 per cent in competition with Daimler-

promising for the rest of 1979 ther 4.7 per cent to 415,000 next European commercial vehicles

The report points out that the

major Continental companies

The survey suggests that have been strengthening their business is fully integrating the total unit production in West positions as full product line old Saviem and Berliet com-

In West Germany an agree-

MAN will produce a new group

join the growing list of Euro-Radiators have been chosen Ferodo' sees the change in pean motor industry suppliers for Ferodo's first U.S. manu-American car manufacturing

production of its Sofica radiator which U.S. car manufacturers establishment in the U.S. within range some time next year. It are now demanding in their the last two years of several dready has available factory search for new vehicle economy. European groups, including

Ferodo to make radiators in the U.S.

The French output is forecast able to offer a full product line London SW1A 1NT.

The study is due for completion in about 18 months and the project itself appears unlikely to come on stream before 1984.

Although an official decision to go ahead with the Saudi project has still to be taken it is felt that movers in the project said the a feasibility study being carried Japan has little choice but to

go ahead given its dependence on Saudi Arabia as the source of about 30 per cent of oil ter, that the Saudi complex 54 corporate shareholders estab- imports.

Iveco, the Fiat-controlled, pan-

group continues to rationalise

its product line. And in France

Renault's commercial vehicles

" Motor Business '98", Econo-

mist Intelligence Unit, Spencer

House, 27, St. James's Place.

Like other European manu-

facturers of vehicle components.

Germany, and Lucas and GKN.

panies.

Mr. Shridath Ramphal, Commonwealth Secretary-General

Most developing countries but it must be a road, not a cul-de-sac, he said. Producwas no access to markets.

protectionism was inefficient, irrational and in the end destructive. It led to stagnation in the developed world and hit at the poorer members of industrialised nations by denying consumers access to cheaper goods. He called on the UK to help lead the EEC and the OECD countries away from to establish a manufacturing facturing venture because the towards smaller vehicles as an base in the U.S.

The company plans to begin the special lightweight qualities ducts. This trend has led to the

## French-based, heavy-duty trans- assembled without welding. Synthetic fuel—dirty, costly, but outside OPEC's control

PRESIDENT JIMMY CARTER'S given the need drastically to cut delivered his message.

sistently edged ahead of the tion capacity. energy market. In the 1950s, scientists said synthetics would synthetics also involve environ-

term, since it implies something pared to U.S. needs, If Washingartificial or manufactured. In fact, it denotes basic fuels like synthetic fuel programme, it coal and oil, which have been transformed by an industrial scale. process into a more usable covers oil shale, tar sands, and

But coal suffers from some \$25 per barrel. when oil was \$1 a barrel, well-known disadvantages. It is become economic at \$2. Today. and dirty to burn. Moreover, it problems. The largest deposits with oil at \$20 a barrel, syn- cannot fuel a car and is there- lie under a broad swathe of land thetics cost \$25 and up. Most fore no replacement for oil. mentally unacceptable mining coal is not new. Germany did it sponsored projects are affoot

Synthetic fuel is a misleading years, but on a tiny scale com- and Gulf.

even the fuel potential of exotic the Kentucky and Virgina coal-

Two pilot plants currently costly, and their economic hundreds of years, and the U.S. under construction will cost production price has con- already has spare coal production over \$3.5bn, and the fuel itself costs the equivalent of over

overlapping Utah, Wyoming Liquification or gasification of and Colorado. Governmentand "dirty" processing tech-nologies. during the war, and South here as well with companies Africa has been doing it for such as Occidental, Union Oil

Air quality laws prevent the ton were to go ahead with a open-cast mining of shale, so advances in alternate fuels in tar sand has to be mined and vides for loans of up to \$50m synthetic fuel programme, it engineers are working on a which the U.S. has a stake have treated to separate the bitumen to finance plant construction, form, like oil and gas. It also started. The government has at the bottom of the mine and exploited



ably a lot more.

greatest

SYNTHETIC FUEL PRODUCTION TARGETS FOR 1990 gasification 0.5 Biomass (vegetation, wood, etc.) 0.5-1 2.1-3.1 Source: The White House

The House of Representatives Bill to stimulate production of synthetic fuel envisages a total of 500,000 barrels daily by 1984, rising to 2m barrels daily by 1990.

of each of these "retort's would Canadian companies. Commerbe about \$1hn, and the result- cial operations, however, are ing fuel would not be economic only now getting under way at less than \$25 a barrel, prob- after 20 years of research and development.

Other synthetic fuels are unlikely to make much impact. The most widely publicised is gasohol, a mixture of 90 per cent alcohol, made from crops. But it has been calculated that even if the IIS's entire corn of the corn of if the U.S.'s entire corn crop was diverted into gasohol, it would increase petrol supplies by less than 10 per cent.

energy) has seized on synthetic cleaner fuels as one of the answers to the country's fuel problems. The House of Representatives recently passed a Bill to production of by 1990.

To achieve this, the Bill pro-

groups said last week that Mr. Carter was in danger of being "stampeded by the same panic synthetic fuels to 500,000 b/d and renorance which have by 1984 (equivalent to about driven Congress to impetuous 2.5 per cent of today's total oil folly." The letter went on to consumption), rising to 2m b/d claim that synthetic fuels produce enormous amounts of taxic and cancer-causing chemicals and noted that no one has yet built a plant even one tenth of

exaggerated, Mr. Francois van Hoek, a director of the Euro-pean Commission said in London yesterday. It was of paramount importance that the EEC did everything in its power to maintain and expand trade with the developing world, he told the London Impo Expo 1979 sym-

EEC urged to

boost Third

World trade

THE WESTERN world's fear of an "invasion" of goods from the developing world is largely

By Patricia Newby

posium which began yesterday. Between 1970 and 1978 Comcountries increased from 29 to 38 per cent, including a 90 per Optimism on commercial vehicles as a group represented the metal trade three times that of cent increase in trade in manu-

> told the symposium the developing countries were seeking trade not aid. "It is through trade that the developing countries can earn their way in the world," he said.

were going down the trade road. tion was of no value if there Mr. Ramphal claimed that

Mr. Neil Marten, Minister for Foreign and Commonwealth Affairs, said when opening the symposium that there was danger of protectionism in world recession but the Government was committed to liberal-

earch for new vehicle economy. European groups, including The Solica radiators are made Bosch and Teves of West.

BY DAVID LASCELLES IN NEW YORK

proposals to boost production of things like sugar cane, cereals fields, and near Seattle on the synthetic fuels look sensible rotting vegetation, and rubbish. West coast, with the participa-U.S. reliance on imported oil. to the U.S. with its vast deposits and West Germany and Japan. But though the technology to of coal and oil shale (and access But though Con. Edison, the produce these fuels is still in to large tar sands in neighbour. New York utility, burned some its infancy, scepticism about ing Canada). While U.S. oil and liquid coal last year which their prospects was mounting gas will probably run out in the for some time before Mr. Carter next century at present con- air tests, production is small and elivered his message. sumption rates, there is enough Synthetic fuels are extremely coal and oil shale to last

Synthetic fuels are attractive tion of large U.S. oil companies passed the local environmental very expensive.

well-known disadvantages. It is Similarly, oil shale faces costly to mine and transport, immense technological and cost

Ironically, synthetic fuel programme, it would have to be on a gigantic scale.

Experiments have already started. The government has sponsored pilot projects around synthetic fuel projects fuel for from the sand, but it is among to find the from the sand up to \$350 to find the from the sand up to \$350 to find the form the sand up to \$350 to find the fin

The process is cumbersome:

ils earlier obstructive stance on

fuels is mounting fast. Predictably, environmentalists have to be processed into something

In a letter to the President, the Sierra Club and other lobby

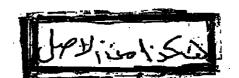
in record time. that the average cost over-run

But epptisition to synthetic on synthetic fuel plants was
fuels is mounting fast. Pre. 2.53 times the estimate. Calculations also show that

completed about the implications also show that tions of boosting production of of Representatives was reached.

Congress (possibly regretting coal and shale, even if it is synthetic fusic tions of the House coal and shale, even if it is synthetic fusic fusic tions. synthetic fuels would account for less than 5 per cent of expected fuel consumption in 1990, but would cost at least \$100bn to develop: fronically, the ultimate deci-

sion on synthetic fuels may be taken not by the U.S. but by OPEC. If the oil producers succeed in pushing oil prices up much further, the economics of alternative energy will become more attractive, and large scale development may be pos-



# Britain has the energy to carry on for at least another 300 years.

We have proven coal resources to last for at least another three hundred years.

Which makes good news when you consider that to replace our present coal output with imported oil would worsen the country's balance of payments by over £5,000,000,000 a year.

And makes especially good news when you remember that world production of oil could well have passed its peak by around the end of the century.

Two good reasons why we should continue to look for coal now.

In fact, exploration is running at ten times the level of ten years ago. And has resulted in some pretty impressive finds.

Selby in Yorkshire, our biggest new project, will soon be producing its first coal. It will then build-up to ten million tons a year for at least another thirty years.

In fact this country now produces as much coal as all the other EEC countries put together.

Not so much coal we can afford to squander it, but not so little that we have to panic.

It simply means British Industry has the time to plan ahead, knowing there is an assured source of energy for at least another three hundred years.

And it gives us lots of time to continue working at maintaining Britain's energy independence. If not directly through coal, then through the conversion of coal into other energy sources, such as oil and gas.

In the technology of using coal, Britain leads the world.

Our most recent breakthrough is known as fluidised bed combustion.

This technique provides higher heat release rates than have been possible with

Which means that boiler sizes and therefore capital costs can be reduced.

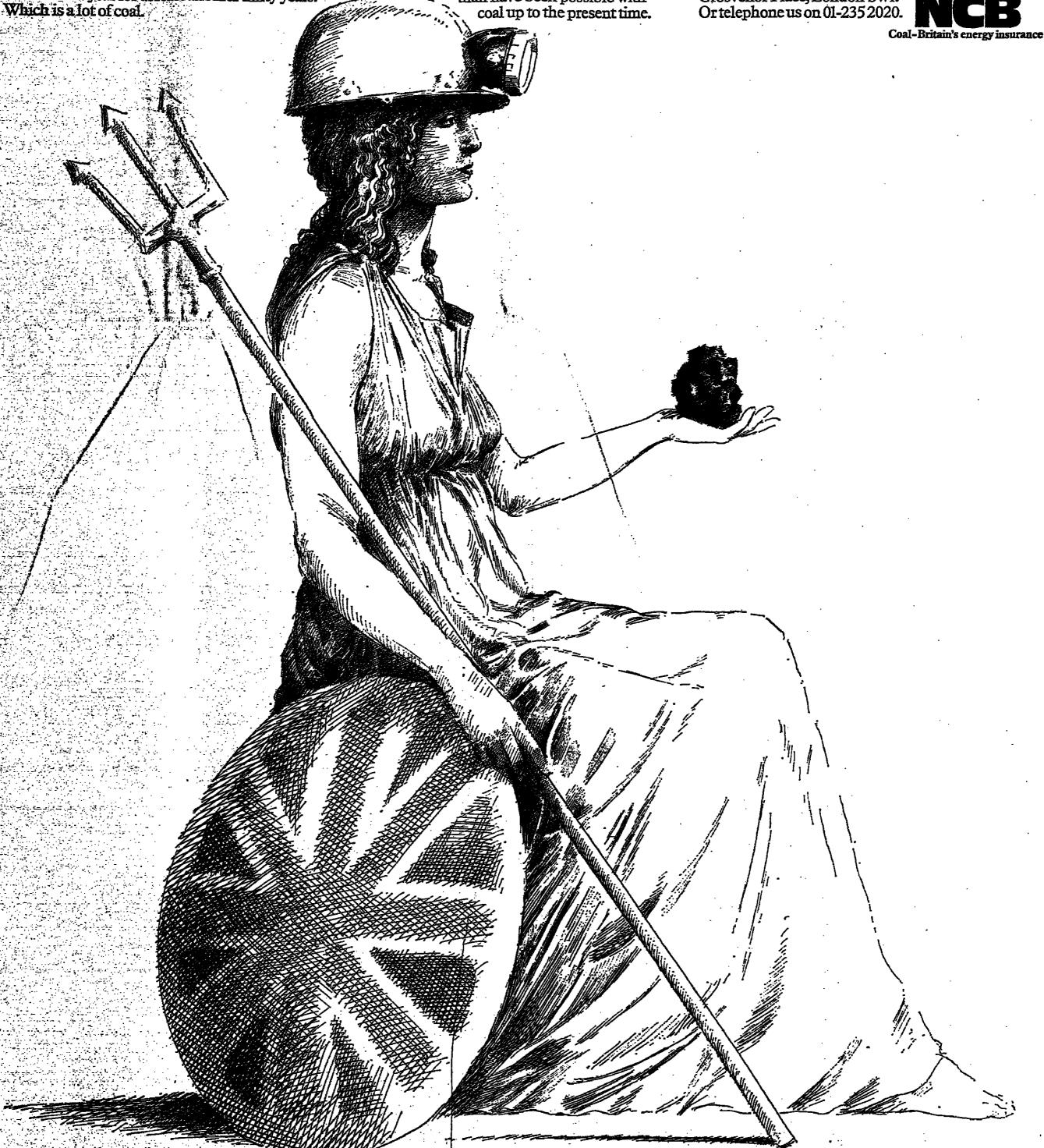
It also means that, because combustion takes place at a temperature below the melting point of ash, boiler availability is greatly extended, and a wider range of fuels can be burned.

You can seek the advice of our Technical Service experts on fluidised bed combustion, and on other ways of making your plant heating more efficient and more economical.

To discuss your heating needs or problems with an expert please telephone us.

If you'd simply like to know what coal can offer you, send for a copy of the brochure 'Coal-Your Future.'
Write to the National Coal Board, Technical

Service Branch, Marketing Department, Hobart House, Grosvenor Place, London SW1.
Or telephone us on 01-235 2020.



New Act

needed' to

save open

Financial Times Reporter

HUNDREDS OF acres of com-

mon land could be taken over

by commercial organisations

because of a loophole in an Act

designed to protect them, a watchdog society claimed yester-

Though claims to common

land by several organisations have not yet succeeded the Com

mons, Open Spaces and Footpaths Preservation Society fears that the Commons Registration Act, 1965, will be exploited contrary to the intention of

The society is stepping up a campaign to have a Private Member's Bill reintroduced Mr.

Arthur Blenkinson's Acress to Commons and Open Country

Bill in 1978 was fost when Par-liament dissolved before the election this year.

The society is asking county councils to liaise more closely with it when a company or organisation seeks to de register

New legislation is the only effective way to keep common

land intact, it says.
The 1978 Bill would mop up
any discrepancy in the 1985
Act, which provides for amendments where land registered

under the Act "ceases to be common land or a town or village green."

Zebra and

Springbok

the hammer

THE NEXT auction to be held

by Sotheby's in South Africa

sees the firm offering some unusual merchandise — springbok zebra and giraffe

is their first attempt at a sale

of live game. "In 240 years Sotheby's has never done any-thing like this," says Mr. Reinhold Cassirer, managing director of the South African

he auction site is out on the

veld, over the Vaal River

from Johannesburg, in the Orango Free State. The bidders on Thursday will be sitting on bales of straw, and

the auctioneer, not quite on

the back of a lerry, but on a

rather rudimentary wooden

The setting has a certain

romantic quality, a clearing in the heart of a plantation

of oak trees, on the Estate

an oddly British touch, some

6m were planted on the estate

at the turn of the centurylong lines of pens have been

fastefully constructed out of

Under the eaves of the oaks-

operation.

platform.

Maccauviei

go under

Parliamen

Liaison call

mmon land.

spaces

MOTORISTS bringing cars into central London could be forced to pay a toll of 50p per visit, under a plan to be considered by the Greater London Council.

The scheme has been worked out by officials from the council, the London boroughs and the Department of Transport in response of the capital's grow-

It would involve 80 checkpoints at main road entrances to a four square mile area bounded by the River Thames on the south and the so-called inner ring road (Marylebone Road, Euston Road, Pentonville Road and Park Lane) to the north.

The area covered is identical to the portion of central London from which most lorries of more than 42 ft are already banned. London's transport planners

have often toyed with the idea of a toll but politicians have fought shy of it.

#### Stiff opposition

It is less draconian than the supplementary licensing scheme devised more than three years ago, but it is likely to meet stiff opposition.

The plan should be ready for discussion by a GLC committee this autumn, although Government clearance would probably also be required for its imple mentation.

scheme advanced sales of toll tickets at petrol stations. Motorists would then be required to display their tickets as they pass through manned check-points. Those without a ticket would be charged a penalty premium on top of the normal 50p charge.

Tolls would only apply from

Monday to Friday between 8 am

It is estimated that the scheme would generate an annual financial surplus of £7m, after taking into account the

Mr. Andrew Warren, secretary of Movement for London, a road users' pressure group, dismissed the plan as "totally ridiculous.

Worldwide

**Engineering** 

**Power** 

cost of 700 extra traffic wardens

required to police it.

# BNOC to earmark more crude oil for U.K. refiners

BY KEVIN DONE, ENERGY CORRESPONDENT

The shortage of international As a result the Corporation

As a result it has negotiated reductions in several of its existing export contracts, particularly change course, however, since those entered into with U.S. comoriginally planned.

last six months.

Its original marketing plan. drawn up towards the end of ment of Energy. last year, envisaged sales to the UK market of about 130,000 UK market of about 130,000 UK sales to about 145,000 barrels a day in the first quarter of 1979, with only modest in-quarter this was increased to creases over the year. For much 165,000 barrels a day.

THE British National Oil Cor- of 1978 the big oil companies poration is planning a substan- with UK refineries showed little tial increase in the amount of interest in buying relatively crude oil it will make available expensive North Sea crude, to UK refiners over the next 12 when cheaper foreign crudes were available.

crude oil supplies to the British entered into several six- to domestically. market has forced it to re-think 12-month contracts with over-its marketing strategy over the seas buyers to secure outlets for its North Sea crude. Both the Corporation and UK

the loss of Iranian crude oil panies, and it is also aiming to
devote to the domestic market a clear dissatisfaction with the far greater amount of its crude high level of BNOC exports, but oil entitlement, as North Sea the state oil company claims production increases, than was that it had begun to modify its sales strategy before any pres-sure was applied by the Depart-

In the first quarter it raised

Excluding the immediate sale back of some of its crude to UK refiners such as Shell, Esso and BP, called for under-participation agreements, the Corporation was selling some 30-40 per cent of its North Sea crude

With increasing production and changes in some of its foreign contracts it is aiming to sell up to 275,000 b/d in the UK, in the third and fourth quarters of the year. This should account for up to 55 per cent of its available crude,

In the first half of next year UK sales are planned to reach 460,000 barrels a day. This total does not take account of Government royalty oil, which should add an extra 150,000 barreis a day.

The corporation has held on to most of its U.S. customers no single export contract was higher than 30,000 b/d

# Dispute disrupts import figures

IMPORTS OF £20.6bn in the contributions first half of this year were about £900m lower than they value of imports was 15 per cent higher than in the second half of 1978. About three-quarters of the rise was in the

coming from chemicals and road vehicles. Total exports were £18.9bn would have been without the in the first half of the year. civil service dispute, which disrupted the flow of information. This was about 3! per cent more than in the second half After adjusting for these dis- of 1978. But export prices rose tortions the average monthly more sharply thanks to the appreciation of sterling and the volume of exports fell by 2 per

cent. Sales to Iran and Nigeria volume of imports, with major have dropped sharply-down most recent three months.

on average by roughly £100m exports, during the first half of

estimated surplus on invisibles has fallen compared with last year—down from £489m in the fourth quarter to £394m in the first quarter and £330m in the second quarter. This is the result of higher net contributions to the EEC in the

#### BALANCE OF TRADE

		Exports £m seasonal	Imports ly adjusted		Imports onally adjusted = 100	Terms of trade *Unadjusted 1975 = 100	Oil balance £m.
1977	<u> </u>	32.148	33,892	118.9	107.2	100.8	-2,791
1978		35,432	36,607	122.9	112.6	105.9	-2,015
1977	ist	7,520	8,4 <del>66</del>	115.9	108.9	99.1	—781
	2nd	7,921	8,700	117.7	110.7	100.6	—761
	3rd	8,531	8,534	124.6	107.3	101.3	590
	4th	8,176	8,192	117.3	102.4	102.4	659
1978	1st 2nd	8,408 8,753	9,004 8,926	119.6	113.5 109.7	105.7 104.9	-620 -414
	3rd	9,051	9,418	124.8	114.9	106.1	501
	4th	9,220	9,259	124.8	112.3	106.9	480
	Nov.	3,020	3,136	122.5	113.7	107.5	— 162
	Dec	3,127	3,096	126.0	112.5	10 <b>7.</b> 0	— 183
1979	jan.	2,810	2,936	113.0	107.1	107.4	-62
	Feb.	2,565	3,331	100.7	117.0	108.1	-78
	Mar.	3,015	3,304	117.3	115. <b>7</b>	107.4	-97
	Apr.	3.275	3,602	128.4	127.2	108.9	-114
	May	3,437	3,622	133.6	· 127.8	108.0	-54
	June	3,779	3,828	140.7	132.9	107.1	-42

\* ratio of export prices to import prices

Specialising in power plant, pumping,

150 years experience backing our research.

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are handled by our international organisation.

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authorities, and for sea-going vessels.

Our name is known in every industry

compressors and boosters, high-power

sector of private industry, public

where quality power

machinery is needed.

works in Great Britain, and overseas operations

and compressor machinery, and with over

## Court call for probe of Chase \$2m error

A HIGH COURT judge yesterday ordered an inquiry into what happened to more than U.S.\$2m mistakenly paid out by the Chase Manhattan Bank.
The \$2,000,687 was paid in

July 1974, to Israel British Bank (London) which was ordered to be wound up on its own petition five months later. Mr. Justice Goulding, giving a reserved judgment after a 28-day hearing, said that Chase Manhattan had been instructed to pay the sum to another bank for the account of Israel British

By mistake the sum was paid second time. The error was discovered in time for it to be partially corrected. Chase Manhattan has started

legal proceedings for recovery of the money. The judge said that when the

mistaken payment was made Israel British Bank became trustee of the sum for Chase Manhattan. As Israel British Bank was now insolvent, Chase could not hope to recover the whole loss in the winding up.

The judge directed an inquiry into what happened to the money and what assets, if any, representing the sum, were now in the power or possession of Israel British Bank.

#### **Pay local** politicians'-Labour call

By Paul Taylor

FULL-TIME local authority political leaders should be paid salary, Mr. Reg Freeson, the ormer Labour Housing Minis-

ter, suggested yesterday. Mr. Freeson, who was speaking at the Labour party's annual ocal government school suggested that paid council leaders —directly elected by the public —would be one way to improve community involvement in local

He said that although this would be a "radical departure" t was one which he thought was needed given the much greater burdens of government today.

Mr. Freeson said the need to enhance the community and involve community and neigh-bourhood groups more directly in local authority decision making was essential.

He suggested a number of measures aimed to improve community involvement including setting up neighbourhood or urban parish councils, neighof specialist sub-committees and a bigger role for elected mem-bers in relation to the professionals in Jocal government.

Mr. Freeson also attacked the Government's threat to punish local authorities which use their autonomous powers to spend regardless of Government

He spoke against any erosion of local authority democracy and re-stated the Labour party commitment to limited local government re-organisation transferring some powers from the counties to the district

On regionalism Mr. Freeson promised that a future Labour government would advocate "an evolutionary approach towards developing a "regional presence" co-ordinating government departments and agencies together with some county council functions and the work of the economic planning

The economic planning council's themselves could have more members directly elected by local government and Mr. local government and Mr. reeson suggested that in the nger term constitutional changes should be considered which would turn the councils into provincial councils—as proposed by the Redcliffe Maud Commission—perhaps elected by the district councils.

supply to Nairobi has been awarded by the city council to FAIRCLOUGH INTER-

FAIRCLOUGH INTER-NATIONAL CONSTRUCTION, in joint venture with a Kenyan company, W. GREENHUT CON-STRUCTION. The project includes

STRUCTION. The project includes a tunnel 3 metres high

and 3 km long, with a dam and intake works across the River Chania. Work is to be completed

LONDON TRANSPORTS plans

for a new automatic fare collec-

tion system for the Underground

are taking shape with the appointment of WESTING

HOUSE CUBIC to undertake the

detailed engineering design of the system. This will include ticket machines, gates and a com-munications network, as well as

setting-up a prototype system.

The first stage should be com-pleted by the end of 1980, and the

in two years.

CONTRACTS

# **Price Waterhouse** and top Arab firm end partnership

its links with the major inter-firms." national firm of Price Water Mr. Michael Coates, senior

basis.

The joint firm of Price Water tional market, while Talal Abulhouse Abu-Ghazaleh, set up in Ghazaleh is serving national 1974, will continue in practice. The joint relationship has until next June. After that the served us very well in many two firms will operate under their own names. Mr. Taki tespects. We have gained their own names. Mr. Taki operating experience in the Abu-Ghazaleh will relinquish in Middle East. It has enabled waterhouse International.

So ends a relationship.

So ends a relationship once. New offices
described by Mr. Abu Chazaleh.
a Palestinian as "the most. Recently PW has had four
beautiful example of partner partners and 14 or 15 managers
ship between the Arab world affinated in TAG offices in the
and the Western world." Middle East. Now PW will
and the Western world." establish its own offices in ave

continue on the basis of mutual arrangements for work referral and joint audit appointments in-certain circumstances. There

TALAI. Abu-Ghazaleh Inter Price Waterhouse International. national, which claims to be the Talal Abu-Ghazaleh and Co. is biggest accounting firm in the now free to establish links with Arab world, is to end most of other international accounting

house. After June 30 next year, pariner of PW's UK firm, comthe two firms will maintain only monted: We have found that
certain limited forms of mutual to some extent the type of
co-operation on a non-exclusive clientele differs. We are tending

centres. One will be in Saudi Arabia—probably Riyahd—and the others will be Cairo, Beirut, Bahrein and Dubai.

The firm will also be ready will also be cooperation on to carry out work elsewhere, technical matters and training especially in Kuwait and Abu programmes.

Dhabi. "We will be able to But TAG stated yesterday handle whatever work present "Waile maintaining a strong and future clients require of and amicable relationship with us," said Mr. Coates.

## Jackie Stewart plea to MPs on seatbelts Bill

thing is true of seat belts.

JACKIE STEWART, former "If you are knocked unconworld motor racing champion, scious when a belt would have yesterday urged MPs to back kept you in control and you take a seatbelts Bill when they debate the side off a school bus, then it this week.

He told an audience of MPs if you had gone through a stop of all parties in London that light."

he was sure the public wanted. Jackie Stewart is a director of "This yery sensible pretaution."

This very sensible precaution. Britax, manufacturers of seat with the odd exception, helts, but he said there was no feel that it was no more an inextra market to be gained for fringement of personal liberty his firm by compulsory wearing than the requirement to stop for of belts, because virtually all a red light or observe a speed cars had them fitted.

Until May's General Elec-He said: "The similarity is flon the pro-seat belt lobby was exact if you don't stop at a red fairly sure of success in the light then you are not only a commons but the new MPs, danger to yourself but you ask killing or injuring a perfectly known quantity in this fifth innocent party and the same attempt—on Friday—to make · wearing them compulsory.

## State's £53m stake in car project 'like charity'

THE GOVERNMENT'S decision Motors executive who heads the to invest £53m in the De Lorean sports car venture in Belfast was yesterday described as "more like charity" by Dr. John Watt, who was managing director of the former Northern Ireland Finance Corporation. Dr. Walt, who resigned in

runner of the present develop-ment agency, said a project like the De Lorean plant would be enormously difficult to appraise. On a RBC Radio 4 programme which examined the venture he said: "It takes a considerable amount of time, effort and expertise. My experi-

1974 from what was the fore-

ence is that an appraisal would take at least six months. It was completed in 45 days. I do not see how it could have been Dr. Watt, one of the originators of the Strathearn Audio hi-fi venture in Belfast which eventually closed, said the De

Lorean project would not have got off the ground in the days of the Finance Corporation. The Government's support for the plan to assemble the 30,000 guil-winger sports cars a year in Bekast, providing up to 2,000 jobs, has received similar criticism before.

Joint venture to supply water

deley company) and the Cubic Corp., of the U.S. The detailed

£1.2m bave been won by N. G. BAILEY AND CO. The work involving complete electrical

installations, includes factory units for Peterberough Develop-

ment Corporation; various stores; extensions to Worksop Town Hall; and industrial pro-jects for the British Steel Cor-

poration and the National Coal-

MARCONI has won a £750,000 contract from the Post Office for

radio equipment which will enable men on North See oil rigs

to dial direct into the telephone

pleted by the end of 1980, and the contract is worth about 14m.

On completion of the first stage, and subject to London Transport obtaining approval to go ahead, the contractor will arrange for manufacture and testing of all the equipment and be responsible for implementing the system, which is planned to be completed by the mid 1980s.

Westinghouse Cubic is owned The link, for the Shell Fulmer to the Cardiff branch of WARES platform, will be the longest CLARK AND EATON. Orders include supply and instabilition offshore oil and gas industry of amount plate doors for the include supply and instabilition offshore oil and gas industry of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and instabilition offshore oil and gas industry. Of amount plate doors for the include supply and includes approach to the include supply and includes

The link, for the Shell Fulmer

engineering design will carried out in the UK.

CONTRACTS totalling

A 55m CONTRACT for water jointly by Westinghouse Brake supply to Nairobi has been and Signal Co. (a Hawker Sid-

But it was strongly defended in the programme by Mr. John de Lorean, the former General

company and by Mr. Giles Shaw, the Ulster Under-Secretary.

Mr. Shaw said it was a high-risk project but had "a viable marketing opportunity" ahead Mr. Shaun Harte, a director

the development agency which has a stake in the venture said most of the criticism was made in ignorance of the facts.

Technical investigation had been vital but he admitted that Mr. de Lorean's impressive personality and outstanding record in the automobile industry had enabled the agency to take a greater risk than it would have taken "with a lesser man."

#### **Coal Products** loses staff

COAL PRODUCTS, a sidiary of the National Coal Board employing 260 people, will lose about half its skilled staff following the decision to move the company from Harrow to Eastwood, Notts.

Interviews have been taking place with the staff since it was decided in May to relocate the company, despite strong union opposition.

WALTER LAWRENCE AND

SON is refurbishing 54 University College Rospital Bats in Hundley Street, London WCL under a contract valued at over 5650,000. Work should be

EASAMS (GEC-Marconi group)

EASAMS (GEC-Marconi group) has been awarded a contract for a humain factors study of the designation the control room on the North Cormorant production platform. The contract has been awarded by Shell UK Exploration and Production, acting as operators for both Shell and Esso in the North Sea. No figure was revealed.

Glazing contracts worth more than \$160,000 have been awarded to the Cardiff branch of JAMES

£650,000. Work should completed by March, 1980.

#### rough branches and white SALEROOM BY QUENTIN PEEL

plastic sheeting. Prospective buyers may walk along a precarious raised gangway to look down on the merchan-dise, which also includes eland, wildebeest, duiker, and several families of once imported fallow deer.

The occasion has caused con-siderable excitement, and some trepidation, both at Sotheby's and for their client, which in this case is the farming enterprise of the giant Anglo American mining

empire.
To celebrate the occasion both the Earl of Westmorland and Mr. Graham Llewellyn, the company's deputy chairmen, are flying out from London.

#### Porenpines :

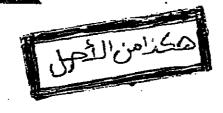
The idea is to lay the founda-tion for a major annual game auction in South Africa, to cater for the rapidly growing industry of game farming, both there and overseas. The sellers plan to have between 500 and 600 animals available for auction; lifeluding a few specially-reared pheasant, and a handful of porcopines as a novelty. Game farming in South Africa

is on the verge of a terrific expansion, according to Mr. Arthur, Penberthy, general manager of Anglo American's Scevence farms, Beef is going to become more and more expensive, and there is great potential in the export market."

Another attraction is the lack of running costs; stock a farm with game, and all you need provide is the occasional lick of salt to supplement the diet. As for the price you might expect to pay for in animal, the range is from R100 (£58) for an impala to 1990 (1980) for a waterbuck. The giriffe brought in on a flat-bed lorry from Namibia, may go for up to R1 090 (£530) or more. All told, gross turnover could top R150,000 (£80,000).

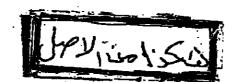
As for the auction itself Sotheby's naturally hopes the bidding will take care of itself. "Usually at Sotheby's itself Usually at someony we adopt an austire approach to functionsering, said Mr. Stephan Well, their auctioneer in Johannesberg. This time it's soing as it different. We are point country. My arrie will be as not knownal and mostly in Aprilance.

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#### Winter air fares to Spain cut by 40%

tied |

BOTH BRITISH AIRWAYS and Iberia, the Spanish airline, are to cut lares to Spain by up

to 40 per cent this winter. From November 1, it will be possible to fly from London to Malaga, for £88.50 return, compared with the chespass scheduled return fare now available of £148.

Other examples of the cuts chide: Barcelona (from London) \$89 return, against £106; Bibbao £82.50 return against £99; and Madrid £112.50 return against £134 Corres-ponding cuts will be available from UK provincial airports to

These new public excursion fares will be available on all scheduled services. No advance booking is needed. Passengers may stay between one and 13 veeks at their destination.

The cuts follow British Airways' plans to reduce fares in Europe progressively. It has already introduced cheaper rates to other countries, including France and West Germany.

#### Call for cut in price restraints

By Maurice Samuelson

BASIC industries in developed countries must be relieved of restraints on prices, profits and planning if investment is to revive in the next 20 years. Otherwise, investment in new highly susceptible to outside inplant will not be able to meet expected levels of demand, and there will be a decline in production and job opportunities.

This is the bleak conclusion highly susceptible to outside in of the rethink which is going on over the collection of indirect taxes, and especially VAT.

There are strong objections on the island that it should have to comply with the 15 per cent

of a paper prepared jointly by research organisations in the U.S., UK and Canada. It-found that investment was

being held back by the exceptionally high cost of new pro-jects when measured in terms the environment. of units of output. For a group of ten hasic industries surveyed, these costs were growing on average at more than three times the relevant infla-tion rates during the 1970s.

It blamed a "quantum leap" in the costs of gaining approvals for projects and of constructing and financing new plants.

Investment would only revive

Investment would only revive if the price of new products could be relied upon in show a return on the investment high enough to justify new plant where profit levels and returns on investment in basic industries are inadequate to justify the five products of the five publications brought of the need to be improved by acceptance of rises in prices sufficient, to provide the necessary incentive," the report says.

New Investment in Busic Industries, published by the British-North American Committee; sponsored by the British North American Research Association (UK), National Plan-ning Association (US), and C.D. Howe Research Institute (Canada); 60p, \$1.

#### Footwear group picks president

THE Clothing and Footwear Institute has chosen its first president since it merged with British Boot and Shoe Institu-

tion on May 31.

He is Mr. Edward Rayne,
who was invested as president wind was invested as president at the Institute's general meeting in Hendon North London yesterday Mr. Rayne has been chairman and managing director of H and M. Rayne since 1951, and president of the British Boot and Shoe Institu-tion since 1972.

# Too little money spent on energy conservation'

BY MAURICE SAMUELSON

THE REC. COMMISSION has sovernments and the EEC had spent too much money on solar not yet become a distinct and energy research compared with effective forum for discussion. the amount spent on conserva-tion of conventional fuels, a House of Lords select committee

report said yesterday.

Resources: allocated to the commission's four-year-old research programme had been surprisingly low and its progress too slow. In the next four years almost half the four years, almost balf the £85m research budget would go on solar power, compared with about £17m on conservation, says the report by the Lords European Communities Com-

Only three or four full-time officials at the commission were working on its energy conserva-

The precise role of the commission's four-year-old rational use of energy programme remained obscure. It was recognised that "overwhelming responsibility lay with national

The EEC's legislative programme had been thin and Sir William Hawthorne, chairman of the UK advisory committee on energy conservation, had argued that EEC proposals on the labelling of domestic energy consuming appliances had, if anything, delayed the introduc-tion of a UK labelling require-

cated nearly 50 per cent (58m units of account) of the funding of its second four-year energy

Energy Conservation, third report of the House of Lords Select Committee on the Euro-

# Manx brief suggests firm financial future

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE ISLE OF MAN has the government basic ingradients for a success- activities." ful economic future, according to a business brief prepared by the island's government.

But since the economy is highly susceptible to outside in-fluences, development will de-

Growth, however, depends on availability of labour. The island is seeking to control an increase in population so that the needs of industrialists do not conflict with the quality of

There is a strong feeling on fine island that the industrial base should be widened because a considerable part of the surge in the economy ever the past decade has come from the financial sector. This now accounts for just jouer 29 per-cent of national income, more than double the share of manu-facturing industries, and is

advisory council in Douglas, ing demand for a publication which can give incoming businesamen an outline of our

The guide forecasts that the island is likely to remain a scheduled territory but that its fiscal autonomy will become more sharply defined as a result of the rething which is going on

to comply with the 15 per cent UK rate of VAT.

The second booklet, produced by the Manx Treasury, is the annual Digest of Economic and Social Statistics. National income on the island is now £118.7m, of which £8.47m comes from abroad. Mr. John Webster, senior

economist, says: "Demand has been very buoyant and this has increased economic activity, higher incomes and a level of unemployment that has never been lower." The Isle of Man: A Business-

man's Briefing. From the In-

nonents and assembles ejector seats for the Martin Baker comas a sub-contractor but is no financial link between the two concerns.

## **Howe welcomes support**

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

people of all kinds and jobs who have enthusiastically endorsed what the Government has begun to do."

During his recent visit to

Tokyo for the economic summit, Sir Geoffrey noted that the British business community was "beginning to sing a different song" They were saying it would be difficult to get good people to come out and not to go home. In the past it had been the other way round.

SIR GEOFFREY HOWE, Chan-Budget, tax and pay prospects cellor of the Exchequer, has He pledged that the Governbeen impressed since the ment had no intention of Budget by "the number of further raising VAT from its present level of 15 per cent. However, the yield from the higher VAT this year will be only about half the yield in a full year. The scope for raising revenue from other taxes may be examined and there would be further public expenditure economies. Consequently the Government is hopeful of going on to make further reductions in the burden of direct tax.

On pay, Sir Geoffrey said discussions between the bodies These comments were made most concerned should involve in a lengthy interview on LBC "a wider acceptance of the radio (London Broadcasting). sort of limits in which bargain-Sir. Geoffrey discussed the ing should take place."

NEWS ANALYSIS—PRIVATE COAL OPERATORS

# New company's 30 sites

THE expected bid last week for Mining Investment Corporation oil price has meant that coal by Burnett and Hallamshire, has been able to raise its prices: by Burnett and Hallamshire, the private mining and con-struction group, will make the new, joint company by far the largest private coal operator in The private sector is a dwarf beside the giant of the National

Coal Board, providing some 12m tonnes of privately sold. but tightly controlled, coal each year; compared with the board's 120m tonnes.

Section 36 of the 1946 Act which nationalised the UK's coal mines provided for private participation in deep mining, where the mines had no more than 30 minesupplace. than 30 mineworkers under-

The dispensation was made partly because it was recognised that the NCB would not wish to work small reserves which might be attractive to small, even one man operators, partiv because mine-rs themselves often and pings and wished to preserve the flexibility to exploit them, thon of that being produced for Though small the industry the NCB. It will also have

Its fortunes are determined by stages of applying for planning the general price of coal, which permission.

A second benefit to both comin turn is regulated by overall.

A second benefit to both comenergy prices, especially the panies is that the 1,000 acres they look to benefit from the price of oil.

The recent sharp rise in the twice in the past six months by a total of about 22 per cent.
While this has provoked protests from the Central Electri-

city Generating Board, the NCB's largest customer, oil is so scarce that the CEGB has no choice but to pay it will double its imports of coal to about 3m tomes—but even so. it needs every tonne of domestic

coal the mines can produce.

The result is, as Mr. George
Helsby, Burnett's managing director, said yesterday, that profit margins in all the energy industries have risen considerably in recent months. Both the Mincorp deal, and the recent acquisition by Burnett of an oil distribution company, now appear to have been very good moves indeed.

The new company will have some 30 operating opencast sites, and one drift mine, the Wedgwood Colliery, Stafford-shire, Mr. Helsby reckons total workable outgrep production will be over im tonnes a year, a large proporhas proved profitable enough, almost as many sites in various outputs.

corp offers golden opportunities to Burnett's two subsidiaries in Its construction division, Camm (B and H) and Hallamshire Industrial Éstates.

Mr. Helsby sees the division's turnover rising from its pre-sent £9m to £10m level to double that over the next five

For Mincorp, mining interests of various sorts in Nigeria, Canada and South Africa, the deal will offer the strength and reserves of a rather larger company, together with achieving licensed status for its coal holding. Burnett is already a licensed coal operator with the NCB, while Mincorp is not. Future applications for licences to work specific sites are thus expected to be granted more smoothly.

Mr. Helsby does not see largescale expansion in the new coal interests, group's expects that the most immediate advantage will be in the higher quality mix of coal it will be able to offer to its customers, since it is now able to draw on a wider choice of

Both companies believe that the times are propitious for their merger. Like the NCB,

# London Transport revenue grant to be maintained

revenue support grant next

Mr. Alan Greengross, leader of the council's planning committee, said the budget had been changed to take into account higher than expected pay awards and increasing fuel He hoped the revised level of

support would enable London

Transport to keep fare increases

1980-81 and 1.58bn in the next

FINANCIAL TIMES REPORTER

PROFESSOR David Donnison.

chairman of the Supplementary

Benefits Commission yesterday called for higher child benefits

to improve the living standards

Professor Donnison told the

annual meeting of Age Concern

that the commission was par-

ticularly concerned about fami-

lies with children because they

had been hard-hit by rising

prices, tax changes and benefit changes over recent years.

He said that better standards

for the low-paid with children

were a pre-requisite for higher

unemployment benefits because

society was anxious that no-one

out of work should get more

money than someone in work.

of low-paid families.

next year in hine with the general level of inflation. Should the commission's proposals be accepted by the EEC Council of Ministers, solar energy, "which is unlikely to make any major contribution in the short term," would be allowed The proposed £49m revenue stant, which is the same as this year's grant, represented "a reasonable and above all an achievable target," he said. The figures emerge from the council's proposed transport budget, which envisages spend-ing £273m in the financial year

THE GREATER London Coun-tomorrow an alternative "base" cil has rescinded a move to cut programme for spending of £18m off London Transport's £257m next year and £1.4bn in the five year period. The final figures will depend on the Government's response to the

Government's response to the programme.

The decision to maintain London Transport's fares support grant at its present level represents an about-turn in the ruling Conservative group's thinking about transport in the capital.

#### Elections

When elected two years ago, Mr. Horace Cutler, the council leader, told London Transport bluntly that it must improve productivity in order to operate on a tapering level of revenue

However, with council elec-tions due in May 1981, the Con-servatives are keen to avoid forcing London Transport into five-year period.

a series of
The council's planning com- next year. a series of large fare increases

Fares went up by an average

example equality for working women claimants, could imrove

He repeated his call for a sim-plified supplementary benefits scheme to help the one-in-four

people who, although entitled to

Professor Donnison also sup-

ported the call for greater involvement by local voluntary

groups in the provision of social

benefits, are not at present

the system.

claiming them.

Call for higher child benefits

of 7.5 per cent in July and are to go up again by 12.5 per cent

in the programme for a start on the new underground line and for construction of the Woolwich Tunnel, which would be used by both British Rail and the Jubilee Line when extended into docklands.

£273m is broken down into £49m for London Transport Jubilee Line and Woolwich

of people in Scotland.

plaster on a gaping wound." A party document on deprivation

A £3.5M tussle for possession of which is being sold as a whole, one of Britain's oldest agricul- bids from private individuals tural estates is expected this are not expected.

summer between City institu- Pension funds, insurance

gramme also demonstrates that its leaders have still not lost hope of winning Government support for extending the Jubilee Line eastwards from Charing Cross.

A figure of £12m is included

one of Britain's tural estates is expected summer between City institutions seeking sound investments for their portfolios and the present tenants of the land whose families have farmed it for generations.

The 2,700-acre Hough on the rincolnshire, which same and potatoes in an area already popular with such buyers.

The estate is being sold by private treaty as opposed to auctivate treaty as opposed to meet capital transfer tax payayble following the death last year of Lord Brownlow. The tenants, including one family which has worked a The proposed expenditure of farm on the estate for five generations and another which

has been there for more than 100 years, are co-operating to raise the funds to buy the farms revenue grapts; £79m for LT investment; £80m for borough council schemes; £53m for roads for themselves. traffic management (of which £28m is earmarked for road building) and £12m for the

Professor Donnison said that • The Scottish National Party

although the Government was yesterday claimed that both committed to restraining public central and local government

Since the agents, Savills, mons, married the daugher of which is working with Escritt the High Sheriff of Lincoln. and Barrell, expect "well in ex- Their son, later Lord Brownlow, cess of £3.5m" for the estate was born a year later.

Cut in Norway ferries a

**Farmers fight City** 

for £3.5m estate

BY CHRISTOPHER PARKES

blow to Tyne tourism THE NORTH-EAST tourist deficit if the winter service, in-industry, heavily dependent on volving 60 ships, was continued. visitors from Norway, has been dealt a blow with the announcement that the Olsen-Bergen line is to cut its winter Sea Link services to Tyneside.

spending and the role of the public sector, changes in the public sector, changes in the legal structure of the supple-legal s catastrophe" for the majority More than 20,000 Norwegians usually visit Newcastle upon Tyne in the winter months, spending heavily in department stores and using the city as a Mr. Stephen Maxwell, party vice-chairman, said attempts by both tiers of government to

eradicate poverty in Scotland The Olsen board said the were like "putting a sticking decision was because of unacceptably high costs, due mainly to increased fuel bills in Scotland claims that poverty is a way of life for many people

Brownlow's family's possession since 1743 when Sir John Cust, Speaker of the House of Com-

Institutions do not like to carry

on their activities in public.
One of the tenants said the

families on the land at present

would have no trouble finding the funds for their bid which is

expected to be assessed with the others early in September.

The estate had been in Lord

London given £14,000 shine

NINE HISTORIC buildings in London-including a superb ex ample of English baroque architecture, Christ Church Spitalfields—will benefit from base for touring the North-East. Greater London Council grants totalling more than £14,000 The money will go towards the cost of essential repair work to the buildings such as renoand reduced passenger demand. vating the interior of Christ The company estimated that it Church and re-roofing the would have finished with a £1m Market House at Uxbridge.

# Comouter-controlled freight system

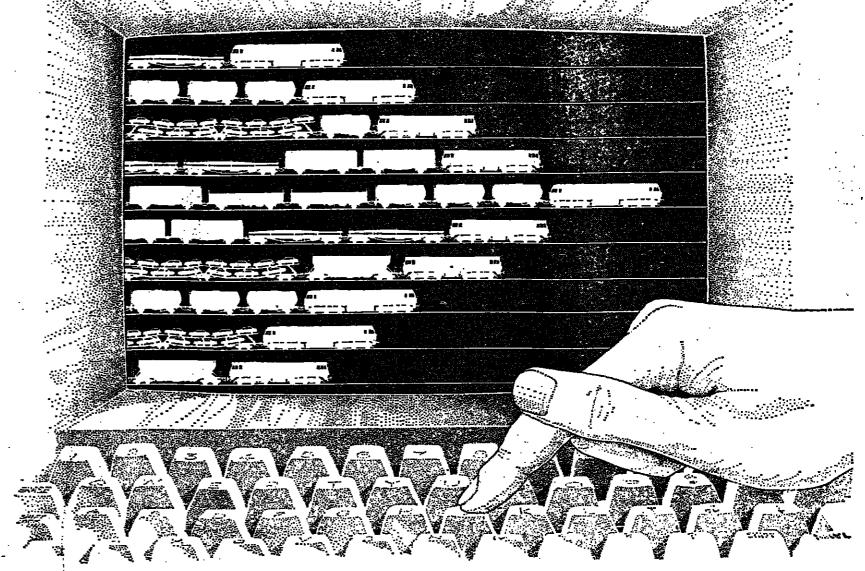
Spearheading Railfreight into the 80's Speedlink, Railfreight's fast wagonload system, uses the new generation high-capacity wagons travelling at speeds up to 75mph. It is a fully computerised freight system. Every wagon movement is continuously monitored throughout, and transits are completed within

Speedlink is so reliable that it already forms an integral part of some of Britain's major production lines, speeding everything from raw

materials to finished products around Britain or into Europe. Strictly to timetable.

Now Speedlink is poised to spearhead Railfreight into the 80's with a thoroughly proven and environmentally acceptable system which is both highly efficient and vigorously competitive.

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The freight name for reliability

# EEC Budget demand 'intolerable'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

the proposed EEC Budget for 1980 is likely to be in excess Nigel Lawson, Financial Secretary to the Treasury, last night condemned as "quite frankly

Mr. Lawson said that the European Commission had already brought forward one rectifying letter increasing the size of the draft Budget. A further rectifying letter propos- present situation cannot be ing another increase was pos- allowed to continue," he ing another increase was pos-

The Minister was speaking in Commons debate on the draft Community Budget for next year. On Monday, he will be attending the EEC Budgetary meeting which discusses the draft proposal.

state should suffer a Budgetary loss on the scale of that being proposed for the UK. It is certainly wholly wrong

that the UK-one of the poorer nembers of the community-

Emergency

on Shotton

Shotton steelworks in North Wales will be held today, Mr.

George Thomas, the Speaker,

ruled yesterday. His decision, which will give

Labour MPs their first chance to

launch a big attack on the

Government's industrial policy.

followed an application from Labour backbencher Mr. Barry

Jones, whose East Flint con-

stituency includes the steel-

All Labour MPs present and

Tory Sir Anthony Meyer (Flint

W) stood to support the appeal for an emergency debate. Mr. Jones, a leading critic of

the Government after Sir Keith

Joseph's Friday statement on

the closure, accused the Govern-

ment of acting "in a brutal.

on the altar of free market conomics," he said. "Many

steelworkers will face life on

the dole if these proposals go

redundancies following directly

from closure might top 7,000, rather than the 6,300 he had originally suggested.

Latest figures suggested that

They are sacrificing Shotton

pitiless, and savage manner."

debate

Lawson emphasised that it was of £1bn, a figure which Mr. the net figure, rather than the gross, that was causing the put matters right, Government such concern. Britain's opposition to the

proposals did not mean that the Government believed that each member of the Community should get out precisely what

it paid in.
"But it does mean that the declared.

On behalf of the Government, Mr. Lawson accepted an amendment put down by the Opposicriticising the massive and ever increasing net contribution to the Budget. The emendment called on the Government to press for funda-He told MPs that it was undesirable that any EEC member desirable that any EEC member mental reform of the Budgetary arrangements so that Britain's contribution was no greater

> From the Labour front bench, Mr. Denzil Davies, an Opposition Treasury spokesman, said The rectifying letter which the

COMPANIES REQUIRED to

change their names under the

terms of the Companies Bill

now before Parliament are to

be permitted a longer transition period than the six months

This was announced by Lord

Lyell, a Government sookesman.

in the House of Lords last night

when the difficulties which many companies would have

faced under such a timetable—

including the possibility of

prosecution for trading under

misleading names—were again stressed by Lord Mottistone.

Lord Lyell said consultations

would have - caused

with the interests concerned

had left the Government con-vinced that the six months

industry " significant problems."

made to the Bill were still under

consideration and would be in-

troduced during its passage

through the House of Commons.

Lord Lyell indicated that the

Government was thinking in

terms of a 12-month period for

the changover insofar as the

headings on business stationery

were concerned.

The precise amendments to be

originally proposed.

would take unilateral action to

One way of doing this would be to announce that we intended to reduce our contributions gradually on a specific time scale.

"There is going to come a time when the British people are not goin gto fork out money —Elbn or more—without get-ting any appreciable benefit," declared Mr. Davles.

Mr. Davies said that Britain's £1bn towards the Budget was quite simply a mazzr of increased Government expenditure. Ironically, this came at a time when the Government was

pledged to cut spending. Opening the debate, Mr. Lawson said that the UK's gross contribution for 1980 in the Commission's criginal proposal would amount to just over £2bn. But that would not be the figure at the end of the day.

Companies granted additional

months was unlikely to be long

enough to cover the problems

associated with the use of names

on labels on medicinal and

He said the Government recog-

nised that some medicinal and

pharmaceutical products had a

long lead time for production

and that some time elapsed

between the product being sold and its appearance on retailers

A significantly longer period would be necessary in this area

and the Government was examin-

ing the possibility of as long an

terval as three years.

Lord Lyell told peers that the

Peers last night followed the

example set by the Commons

last week by approving ex-penses up to £36 a day in

future. Lords who have to

stay overnight in London will

be able to claim an allowance

of up to £18.50. There will be a daytime subsistence allow-

ance of £9 and general office

expenses allowance of £8.50.

Extra cash

time to change their names

similar products.

Throughout his speech, Mr. better deal on the Budget we increase the total budget by a should give notice that we further 8.75 per cent and add £155m to the UK's gross contribution, bringing it to £2,2bn.

> what really However. mattered was Britain's net contribution which was arrived at after taking our receipts from the Budget into account. On the basis of existing policies, this would be above £1bu.

The Government would take every opportunity to impress on our Community partners the seriousness of the problem and the need for "substantial, rapid

deficiencies in the case which solution to our punger, cial mechanism under which solution to our punger, britain received refunds on its lem.

Many member states would have a stated any attempt to stances. The existing mechan-flercely resist any attempt to ism was quite incapable of meeting our needs.

Restrictions built into the mechanism limited the size of any refund the U.K. was likely

ing whether the offence involving prosecution for trading

under misleading names might

that the Government wanted the

heangeover from the old to the

new names to be carried through

as smoothly and efficiently as

Before the completion of the report stage. Lord Elwyn-Jones,

the former Labour Lord Chan-

cellor, renewed Opposition criti-

failure to include provisions in the Bill dealing with insider

trading and loans to directors.

to expect even stronger criti-

cism when the Bill reached the

Commons — criticism all the

more justified when the Govern-

ment was contemplating highly

Lord Elwyn-Jones foresaw " a

while insisting that it,

great deal of trouble" for the

Government through its refusal to deal with the "company

was necessary to legislate on

controversial legislation

industrial relations law.

He warned the Government

of the Government's

Lord Lyell assured the House

have been too widely drawn

But he recognised that 12 Government was also consider-

BRITAIN'S net contribution to should be doing so," he added. that unless Britain received a Commission had issued would to obtain. Yet, at the moment expenditure from the 'Com munity Budget was only about £10 per head in Britain compared with an EEC average of between £25 and £30 a head.

Even on the most favourable assumption, we would qualify for a refund of only one quarter of our net contribution. But this would be on condition that we were in a balance of paypreceding years.
As this condition was unlikely

to be met, Britain's net refund would diminish to a mere £30m. Mr. Lawson criticised the overwhelming bias in favour of and lasting relief."

In particular, the Government would draw attention to the deficiencies in the existing financial mechanism under the could not provide a realistic

> cut back drastically on the CAP. Yet without a drastic reduction contribution to an acceptable

## Joseph postpones statement

By Richard Evans, Lobby Editor FOLLOWING THE personal

intervention of the Prime Minister. Sir Keith Joseph, Industry Secretary, agreed to postpone his major statement on regional aid to industry yesterday to make it personally to the Commons

Mrs. Thatcher insisted on the move on the advice of Mr. Michael Jopling, the Chief Whip, when it had become apparent that the Government faced blistering criticism over the statement and the method of its presentation from both Conservative and Labour MPs.

Sir Kelth had intended to announce his wide-ranging cuts in regional aid, amount-ing to around 20 per cent, by **Parliamentary** written answer, because of length and complexity, and then to hold a Press conference.

But this had the key drawback of not allowing MPs an opportunity of questioning Sir Keith on proposals that could vitally affect their con-stituencies, and just three hours before the statement was due to be made the operation was called off.

The whole extraordinary muddle amazed experienced MPs and once more called into question the political sensitivity and judgment of oir Keith, who has in the misjudged the mood of MPs.

The issue also illustrates the vulnerability of the Government to Parliamentary pitfalls, despite its substantial

Ministers have already been embarrassed by their forced compromise over MPs' pay, but that would have been nothing to the row that would have ensued, had Sir Keith gone ahead with his original

Warning signals were received by Mr. Jopling from MPs yesterday morn-ing and he quickly made Soundings among Government colleagues by telephone before informing the Prime Minister of the dangers.

Mrs. Thatcher moved swiftly by instructing the Industry Secretary to change his plans. It was stressed last night that there would be no change in the substance of Sir Keith's lengthy statement today, and it remains the Government's intention to allow a day's debate on industrial policy before the House rises for the summer recess at the end of next week.

But before the recess. Ministers have a long list of state-ments to be made, including further announcements of policy from Sir Keith on the future of the National Enter-pelse Board, the shipbuilding industry, and the Meriden coberative.

Other statements are due n the Royal Commission eport on the National Health ervice, and on the Governent's proposals for accepting letnamese refugees.

Aissing Cardinal

THE MYSTERY of the missing portrait of Cardinal Newman, the distinguished 19th century English prelate of the Roman Catholic Church, was solved in the Commons yesterday.

The portrait used to hang on the wall of the Commons committee room floor.

Mr. James Hamilton (Lab., Bothwell) wanted Arts Minister Norman St. John-Stevas, a fellow Catholic, to teil him where it had gone. Mr. St. John-Slevas had to confess. "The picture is hanging in my room where it appears to be very happy."

he said. Any MP who wished "pay a pilgrimage to see would be welcome. Gas inquiry

THE WAY specifications for nerv gases are available to the public in patent libraries is to he investigated by Arts Minister Norma St. John-Stevas.

# Corby steelworkers plan to go on 'war footing'

BY GARETH GRIFFITHS, LABOUR STAFF

fight the proposed British Steel Corporation closure, the plant's joint action committee said yes terday after a meeting with Sir Charles Villiers, the BSC chairman. Mr. Bill. Homewood. Labour MP for Kettering, was

It looks very doubtful whether planned meeting unions and manage-Friday's. between ment at Corby on the closure

will take place. Mr. John Cowling, of Corby action committee, said it would not take place unless Mr. Bill-Sirs, general secretary of the Iron and Steel Trades Federa-

Mr. Cowling described yes-

terday's meeting at fruitless. There was an offer of BSC industries moving into the town. The figure of 25 companies setting up factories to provide jobs had been mentioned but no specific assurances on job replacements given. About 8,000 jobs would be lost if the ciósure went ahead.

The joint action committee may ask other unions to help the plant remain open, particularly in construction work on relining the furnaces.

"There is no way BSC are

UNIONS at Corby steelworks, then, was present. Both BSC going to shut Corby, said Mr. Northants, plan to put their and the unions think the meet cowling. Mr. Homewood said selves "on a ware footing" to ing unlikely. Steel claim that a Labour Government would also have given the go-shead for the shut-down.

Sir Charles said: "The problem at Corby will not go away. The urgent need is for a low cost feedstock which will allow Corby to remain a competitive tube works. The problem, as we have said all along is part of the problem of dealing with the excess of steelmaking capacity in the corporation."

BSC is worried that without Friday's talks, there may be several weeks delay because of

# Aerospace staff vote intensifies battle over representation

BY NICK GARNETT, LABOUR STAFF

THE BATTLE among TUC day that the establishment of unions over representation of an Aerospace Association within the Engineers and Managers The EMA, which has been

competing principally with TASS, the white collar section of the Amalgamated Union of Engineering Workers, now in tends setting up an Aerospace Association in October.
This will complement the

Shipbuilding and Allied Industries Management Association (SAIMA), also a part of the EMA. which is involved in a recruitment battle with unions affiliated to the Confederation of Shipbuilding and Engineering Unions. The EMA is not affiliated to this body.

Ninety per cent of BASA members voting in the bally opted for a transfer of engage ments with the EMA. About

The EMA's new Aerospace Association will be formed of BASA and BACSTAFF. the local staff body at the British Aerospace Warton division which is in the process of amalgamating with the EMA.

BY. OUR LABOUR STAFF

FOUR of the five English clear-

position yesterday following acceptance by the Midland Bank

of mediation proposals on pay for clerical, computer and mana-

gerial staff which is almost

certain to be agreed upon by members of bank's two unions.

salaries is unacceptable to the staff associations at Barclays,

Lloyds. Williams and Glyn's, which

has no staff association, only

recognises for this group the

Banking, Insurance and Finance

Union whose negotiators have recommended the Midland pro-

The three staff associations have been seeking a restoration of differentials which is not

catered for in the proposed Mid-

Barclays Group Staff Associa-tion, which is the largest staff body in the bank has been seek-

ing a 6 per cent spread in

salaries for example. On the

basis of the Midland proposals for the lower clerical grades, this would imply a rise in

salaries for senior managers of

It seems highly unlikely that

THE ASSOCIATION of Broad- properly.

the other clearing banks could

21 per cent " new money."

land settlement.

Westminster

The form of the proposals, grades, which centre on a 15 per cent raced new money increase on all staff as

senior staff and managers in the EMA to cater for managers engineering intensified yester and engineers in the industry day with a ballot decision by was a big step forward. "It is. members of the British Aero to be hoped that the Board of space Staffs Association to join British Aerospace will recognise the new body as the appropriate organisation for middle and senior managers in industry."

Last month, however, TASS signed a recognition agreement on behalf of senior staff at the Warton Division, which the imon sees as a significant break-

Under the agreement, the Warton Division management says it will "not afford recognition to any group with affiliation. to a non-Confederation of Shipbuilding and Engineering Unions body or any organisation outside British Aerospace."

TASS has agreed with British Aerospace at Warton that it will co-operate with senior staff who are not its members providhalf of BASA's 1,100 members ing there is no affiliation are thought to have taken part between the group and any non-in the ballot. CSEU body. This means that TASS will not co-operate with BACSTAFF when it becomes a part of the EMA.

In the face of TUC opposition, the EMA won national recognition earlier this year from British Shipbuilders Mr. Peter Fairley, BASA through an amalgamation with general secretary, said yester-SAIMA.

That would involve matching

per cent "new money" on all

salaries which the staff associa-

tions would not be prepared to accept readily. Their claims

involve, improving the differen-

tials not only of managers but also of the higher clerical

Faced with this problem, the

staff associations may attempt to secure something on differen-

tials purely within the mana-gerial grades, where their membership is stronger than

Above the minimum mana-gerial level there are some differences in managerial pay from bank to bank and there

may be some leeway here for the four banks to make a different cettlement from that proposed in the Midland.

This may be influenced by arbitration for Lloyds managers

set for Monday under Professor

George Thomason, of Cardiff University. If this arbitration goes ahead:

Professor Thomason will have before him two existing posi-

tions on managers, pay. One is the Midiand which, apart from the 15 per cent "new money"

also involves 21 per cent con-

solidation of an existing produc-

tivity payment and a 31 per cent

The other is at Barclays

Midland Bank staff

ing banks were assessing their the proposed Midland deal of 15

and

make any settlement for their clerical staff in grades one to four different from that implemented an earlier offer achieved at the Midland. At lifting salaties by 18 per cent

achieved at the minimum.

the moment, pay for these but including in that the run grades in all the five banks is

5 per cant productivity payment with no bonus.

Staff move on BBC licence fees

BIFU's.

pay proposals

may set pattern

## Union loses appeal against ban on pickets

IF TRADE uniquists make demands which are utterly usreasonable or quite impossible to fulfil, they lose the protection of the Trade Union and Labour Relations Act, Lord Deaning, Master of the Rolls, said in the Appeal Court yesterday.

He was giving judgement dis-

missing an appeal against a temporary High Court order banning picketing and blacking of a booksellers' transportation The ban was imposed on June

28 on an application by PBDS (National Carriers) until full tried of their action against Mr. Joseph Filkins, secretary of the Society of Graphical and Allied Trades' London Central Branch. Mr. Filkins was vesterday refused leave to appeal to the

House of Lords.
SOGAT's national executive accepted then proposals but it was rejected by Gentral London branch members who began industrial action.

Lord Denning said it seemed the real truth of the matter was the resentment of Central London branch officials at being over-ruled by their national executive.

There were reasons for thinking that the branch action was not genuinely with a view to getting better terms for their men. They were seeking to achieve the impossible if they thought industrial action would alter a situation agreed by the TUC and the national executive.

"The balance of convenience is as plain as can be; it is in favour of allowing agreed confilled and letting the new company go on its course without further interference," said Lord

Denning.
Lord Denning said that PBDS had been taken over by National Carriers. The PBDS employees had all been members of SOGAT, but National Carriers had a closed shop agreement with the National Union of Railwaymen.

The TUC worked out a peace formula under which workers would have joint membership of the two unions but with only the NUR having negotiating

rights.

Lord Justice Templeman agreed and said the branch sere plainly not acting in furtherance of a trades dispute. Branch officials had made allegations in omciais had made allegations memotive terms, sold down the river, lock out official dispute." Terms had been used at least as old as Lenin."

Officials scemed to be trying to demonstrate that London

Central branch would not be flouted or trifled with, the judge

## Technicians' action may be called off

THE Institution of Professional Civil Servants yesterday offered to call off industrial action by its members at the Houses of Parliament if an earlier date could be set for a meeting on a pay dispute involving 50,000 technicians, \* ' · ·

Lord Soames, the Lord Presi-dent of the Council, who has day-to-day responsibility for the Civil Service, replied by offering to meet Mr. Bill McCall, TPCS general secretary, on Friday to discuss the deadlock.

Mr. McCall stiggested vester-day that as a "gesture of good-will" the strike action by 32 engineers at the Palace of West-minster, designed to affect can-teen facilities, air conditioning, and lifes phonia and lifts, should be called off from when a new date for the

meeting was fixed. The Advisory Conciliation and Arbitration Service has been in touch with both the union and the Civil Service Department after an indication casting Staff and the Musicians' He said the Government's from Mr. McCall that the union Union have asked to meet Mr. decision in give the Jourth tele-inight cansider conditation as a wision channel to the Independ—way out of the decidock ACAS.

William Whitelaw, the Home Secretary, to discuss increases ent Broadensting Authority, and will not be proceeding now in BBC licence fees.

Mr. Tony Hearn, the ABS at its own pace, meant the shift of Triday's meeting of power wiftin broadcasting. The united which already has journal said he was pessionistic about the BBC's financial BBC.

The association had a The association wants the list 100,000 distributes departation with the last constitute with the last constitute with the last constitute with the last constitute distributed and constitute with the last constitute and constitute and constitute with the last constitute and constitute major interest and problem in Government to consult with the an overtime dains an expension common with the BBC—to per broadcasting unions on its to step up the action with a suade the Government to detailed proposals for broad series of broadcasting finance the corporation casting the casting the corporation casting the casting

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DATA PROCESSING

#### Road traffic counted and analysed

TRAFFIC analysis equipment number date and timing by Golden River, Bicester, will interval. It then requests the provide users of its traffic count user to insert his cassette into ing and classifying systems, who the fast decoder, and subsections are considered to the reading of

of a Rair microcomputer with dual minifloppy drives, an LA36 DECuriter as the console for coutrolling operations and providing the print-out, and a Golden River fast decoder MK2/29 to provide the raw data input. The complete system, together with the DS60 interactive analysis software package, costs less than £5,000.

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may not have ready access to quently initiates the reading of computing facilities, with a the cassette data. Data is stand-alone system capable of transferred on to diskette and making full analyses from col all errors are listed on the letted data. The conjunction with ran edit the data it necessary, Abraham and Partners, before proceeding with the London, the hardware consists analysis itself.

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three Self-contained data devices needed acquisition systems in which the electronics are condensed are SDM 856, 7 and 8, the first of which contains no instru-2.2 by 1.7 by 0.22 such but which mentation amplifier. The \$58

Each of the systems incor-porates a 16-way input multi-plexer, with channel selection latching, sample and hold complete with voltage reference and clock, output buffers and More from 11 Station Road, overall digital control to mini- Watford, Herri (0228 33837).

nevertheless provide all the circuits needed to capture and process analogue data and present it in digital form to a data processor.

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Communication in noisy factories is made easier by using ear defenders like those shown in use here. This headset incorporates a microphone and is designed for two-way telephone and radio communications. The equipment is marketed by Anticoustic of Sonic House, The Broadway, Woodbridge Road, Guildford, Surrey (0483 66488). Scals on the ear muffs and the headband are padded for comfort and covered with Velbex flexible pve supplied by Storey Brothers.

#### • INSTRUMENTS

## Very small counting unit

PUT ON the market in the UK no switching or adjustment of Corporation is a frequency counter measuring only 76 x 152 x 38 mm and weighing 230 grams, but offering nevertheless a measuring range from 1 kHz to 550 MHz.

This calculator-sized unit. MAX-550, has a six digit LED controlled time base which down to 250 mV.

Small size and simplicity of

Continental Specialties polarity, slope, trigger or input level, and automatic lead-zero blanking is incorporated. Internal re-chargeable

batteries prove more than two hours' continuous use or eight hours of typical intermittent use. If necessary the unit can be run from an external 7.2 to display and an internal crystal- 12 volt dc supply. Accessories include a miniature aerial for yields an accuracy of three parts direct radio transmitter frein one million for input signals quency checking, cables. chargers and adaptors.

More from the company at Taper bearings were chosen operation make the instrument Shire Hall Industrial Estate, because of high load carrying useful for high accuracy field Saffron Walden. Essex CB11 capacities and long-life (or workshop) testing: there is 3AQ (0799 21682).

## Better than analogue

PROMOTIONAL accompanying the launch of weighs only 1.4 kg. Keithley Instruments' latest digital multimeter describes it price of a "quality analogue meter" yet is sturdy simple to use and is a full five-function 100 milliohms. igital meter.

intruments has a 0.6 in high hours. The battery life is 2000 liquid crystal display with hours using alkaline cells.

Crystal display with function and range stown. Carried like Reading, Berks RG2 ONL (0734) a pertable radio, the meter 861287).

literature measures 85 x 235 x 275 mm and It will measure alternating and direct voltage and current and resistance, employing a as "the end of the line for total of 26 ranges. Upper limits analogues," pointing out that it can be bought for about the price of a "quality analogue megohms. Sensitivities are 100 microvolts. 100 nanoamps and

The company claims a mean Known as the Model 169, the time between failures of 20,000

#### • MATERIALS Makes a tough coat

ture (or more rapidly at higher tance films. temperatures) and which offers a tough, resilient and abrasion- it especially suitable for coating W3 (01-992 6692).

AN EPOXY-BASED coating that ponents, for corrosion protection can be cured at room tempera- and for high insulating resis-

The coating's resilience makes resistant film is offered by items containing dissimilar Emerson and Cuming (UK), materials since it is able to Colville Road, Acton, London absorb differential changes due to thermal expansion as the Mixed just before use from temperature increases or detwo components the material, creases between -56 and +149 called Eccocoat 729, can be degrees C. Thermal shock used for coating electronic com- characteristics are also good.

#### 'Pots' the components

3M United Kingdom is offering a new grade of Scotchcast, sixtent quality results are XR-9050, which is a one-part, achieved without the need for free-flowing epoxy-based maexpensive equipment and at terial needing no mixing. "very low "material cost."

to the schedules provided. There 26726).

FOR THE encapsulation of electronic and electrical components no smell, and very little waste. The company claims that con-

Simple to use, it is merely More from Industrial Electron from the container into trical Products Group, 3M the component which is mildly United Kingdom, P.O. Box 1, vibrated and then oven cured Bracknell RG12 1JU (0344)

#### • POWER

## House power linkages

series of electric house service barked on injection moulding of cut-outs which incorporate a this material on a continuous number of technical refinements primarily concerned with Another advance is in the enhancing safety for installer and user.

Series 7 is the first cut-out designed specifically in compli-ance with the British Elec-tricity Supply Industry ESI 12-10.

Most important is the change of material to glass reinforced... polyester (grp) from the tradi-tional phenolic. The new material gives major improvements in the electrical and mechanical properties of the cut-outs. Specifically, there are big gains in resistance to tracking, in impact strength, and Series 7 no longer uses thermal conductivity (and knock-outs for blanking off the herne lower temperature rise).

The new out out is the pair and so completely averaged. The new cut-out is the only one on the market to be made in grp and GEC Henley is one of the

GECHENLEY has a redesigned first companies to have em-

Another advance is in the treatment of the cable-entry positions. These have traditionally been protected by "knock outs"-a thin membrane of the phenolic material. However, it has always been difficult to Standard for domestic cut-outs, design a knock-out which is easily removable by the jointer. but impervious to determined attack by children or electricity thieves. ESI 12-10 recognises this contradiction by requiring the impact resistance- at the knock outs to be only one fith of that required for the rest of the cut-out body.

> and so completely overcomes the problem. In place of knockouts, the design incorporates plugs, which can be removed by the jointer only with a special tool, when the carrier is removed (and hence the seal broken). When in position, the olugs are as strong, or stronger

Series 7 no longer uses

for patent protection on the plug design. The company operates from Gravesend, Kent DA11 9DA. 0474 64466.

than the main body of the cut-

out GEC-Henley has applied

#### HANDLING

# Converted weighers cost less

automatic weighing equipment from Weighing Systems, of legislation, without the expense

with new machines.
The company can supply factory-rebuilt automatic vibra-

Alternatively, Weighing Systems can convert manufacturers' Royston, Barnsley, will enable existing equal arm beam weigh-manufacturers to anticipate the ing equipment and also rebuild implementation of new EEC the machines at the same time. replacing existing weighers machines to average weighing minimum, th new machines.

The company can supply but offers considerable savings siderable in manpower and materials. If

## Gives double performance

ADVANCED triple-screw pumpat more than twice the dis-Pumps of Glasgow. It is bepump of its type now in production anywhere.

Imo D4, is one of the latest generation of high-technology pumps developed by Imo-Industri AB of Stockholm, Sweden. It will be available in autumn 1979 in seven sizes to cater for flows from 18 litres/ cater for flows from 18 litres/ working parts can be incorpor-minute to 900 litres/minute and ated in a variety of casing pressures up to 160 bar.

tory weighers of leading British all weighers in a line are con-manufacture incorporating a verted, they can be connected new flexure mechanism and to a central panel for ease of associated electronics which monitoring and control and a provide for data weight record- weigher which is weighing. This couples the couple ing. This enables the equip- heavy or light can be identified ment to record average weights and corrected instantly.

as will be required by the new The full live range flexure legislation when it becomes mechanism is much easier to This D4 design incorporates

ing equipment which operates improved thread profiles and materials which have double charge pressure of existing the discharge pressure for a screw pumps of similar size is given thread length, increased to be manufactured for the reliability and improved volu-United Kingdom and other ster- metric efficiency-formerly a ling area markets by Weir weak point of the screw pump Pumps of Glasgow. It is be-to a point where it is at lieved to be the most efficient least comparable with that of other pump types. It is almost silent in use. A self-lubricating pump, the

D4 is designed for pumping lubricating, hydraulic and fuel oils and fluids containing oil. A unique cartridge assembly system means that the internal arrangements.

edges and will respond faster and more accurately to discrepancies in feed. The elec-tronics are provided in modular form for plug-in fault rectification, keeping downtime to a

Rebuilt weighers offer con-siderable cost-savings over new machines and are themselves indistinguishable from new equipment. Weighers are stripped down and rebuilt with replacement parts where necessary, entirely new electrics, and a new or completely weighing mechanism.

L. E. Stott, Bacup, Lancashire (Tel: Bacup 5413.)

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struction (Sirycon Group), Regal House, London Road, Twickenham TW1 2QJ, 01-892

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construction

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servo units AVAILABLE FROM Ferranti Electronics is a precision integrated circuit servo amplifier designed for use in pulse-width position servo mechanisms and motor speed control applica-tions. It has low quiescent current, high output drive capability and low external component count, and operates over a range of repetition rates and

pulse widths.

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# Readers' views on 'what makes a manager'

BY MICHAEL DIXON

THIS COLUMN certainly has a As always, however, there thought it should be "educahighly critical readership, was one awkward customer in especially on the topic of the squad, who took me to task recruitment consultants. The on two grounds. The first was object of the latest weighty, that the ability to communicate and on the whole welcome, is not a separate attribute, but comment is the article published only one of the elements conhere a fortnight ago about the which has shown Boyden International's 60 headhunters in various countries to him cross, would it? His second be largely consistent in what target for sarcasm was the fact they look for when selecting that I had quoted the word people for different kinds of "motivation" although I had people for different kinds of managerial work. Since it took the entirety of that column to describe the

research, I cannot repeat the cause people's work-perform-ance to differ even though details now. So suffice it to say that the staff of Boyden's 29 their pay, perks and suchlike offices were asked to judge the relative importance of various are the same. elements which go to make up five main attributes required of

These attributes-which the consultants then ranked order of their importance each of a range of managerial jobs-were: the abilities to communicate, to administer, to solve problems, and to influence other people; plus the quality of the executive's personal motivation.

Most of the 40 or so readers who have written or telephoned their comments seemed agreed that these five were indeed the essential foundations of effec-

stituting the ability to influence people. If it wasn't, this customer said, the article I had written would not have made asserted, in two Johs Columns during May, that nobody knows what motivation is—its being merely a collective term for the so far unidentified factors which

All I can say, Mr. Koch, is that I am touched by your sedulous attention. But I did not design the research. The responsibility for it. including the use of the word "motivation," belongs as was stated to the Rohrer, Hibler, Replogle Institute of New York. Nor did I purport to criticise the research, l just described it. So there!

Two other readers had a different reason for dissatisfaction with the RHR Institute's five attributes. It was that they should have been increased to six. This pair of critics did not agree on the term for the necessary extra attribute.

But, if I may presume to read between their lines, they seemed to be expressing much the same sort of thing.

desirable, even if possible, for a manager to try to function as a steady-state superior animal, ing upwards through the hier-archy, making decisions in the light of knowledge and experience alzady in his or her personal possession, and transmitting the decisions back down the pyramid.

#### Too proud

To be effective, managers would, therefore, need more and more to recognise that in some matters essential to their craft, their own and their immediate knowledge experience were inferior to those of people farther down the hierarchy. To borrow Mr. Goddard's words: "I am convinced that solutions to problems that create ulcers at the top are in many examples well known to workers at the bottom and could be had off-the-peg by management if it was not too proud to ask, and if the solutions are not there ready-made. then a lot of the knowledge that the rubbishy things the Boyden is needed to work out the solupeople said leadership depended tions could be got by politely asking around on the shopfloor."

ticular pair of readers thought should be added to the five attributes and looked for by the head-hunters, was a concern to improve one's craft by going out It was that it is no longer and learning from all likely tional, and to ensure that one's steady-state superior animal, supporting staff did the same. receiving communications filter. As Mr. Brookes put it: "A good manager shouldn't think he's good, but only getting better as

> Another reader, Mr. Gordon. also called for an addition, not to the list of attributes, but to the constituent elements. These are too numerous to repeat in full but, for example, the "communication attribute consisted of the skills of listening, of engaging in dialogue as distinct from indulging in monologue, of expression, and of writing. "Administration" consisted of the skills of planning, of delegating, and of following-up.

time goes by.

making up every one of the five attributes. It was an appropriate sense of humour. He added:
This is important all-round for management. If you take influencing other people in particular. I would say it was most important of all. It's more important for leadership than

particular thing

on."
The reference here is to the

thought most crucial to influencing other people. The element directs the behaviour of others toward the achievement of common goals by charisma, insights sources, however unconven or the assertion of will." Which brings us to the main target of the readers' criticism because all but two of them cited the inclusion of "charisma" in that description, as typical of the

aspect of the Boyden exercise which offended them. "According to my dictionary," said Mr. Atkinson, "charisma would bean favours especially given by God. We all have some of those, and don't all have some of those and the selection consultants can tell reaches appropriate conclusions the selection consultants can tell reaches appropriate conclusions the selection consultants can tell reaches appropriate conclusions. they mean, they won't get me to believe that they'd know charisma even if they saw it." The opposite was felt by Mr.

Newman Charisma was some-thing he thought had un-doubtedly been possessed by "Jesus Christ, Hitler, Gandhi Mr. Gordon thought that one added to the lists of elements and Martin Luther King," but by very few others, "To be sure, the head-hunter would recognise this quality when he saw it, but I fear that he would have to be in business a long time before he met someone with real charisma who was being interviewed for a job as

However, Messrs Atkinson

So in essence, what this par- element which the head-hunters ing that the research study implied what one called "an insufferably arrogant assumption " was leadership, described as on the part of Boyden's staff. It was that once having defined however loosely, the skills and attitudes most important to managerial work, the consultants would be capable of determining whether or not those skills were present in people.

> Take for example an element which the head-hunters thought of great importance to the prob lem-solving attribute—the skill of grasping "the source, nature and key dimensions of a problem." And for another the element, considered equally important, of "judgment—

whom they were interviewing.

What evidence bad I to offer, asked the generally indignant critics, of head-hunters' ability to divine during a relatively short period of contact off-thejob, that a candidate posessed such skills? What questions does the fiead-hunter ask to determine these characteristics?" inquired Mr. Newman, perhaps ironically.

The answer is that-lacking charisma and having been con-cerned only to describe the research anyway — I do not know. But if members of Boyden International, or indeed any other recruitment consultanti: have answers to give, I will and Newman and almost every. gladly report them in a future one else were united in think- column.

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lox A.6834, Financial Times. 10, Cannon Street, EC4P 48Y

# Qualified **Accountants**

Lombard North Central Limited is one of the leading Finance Houses in the United Kingdom and a member of the National Westminster Bank Group.

Due to our continued programme of expansion there are vacancies in Central London, Croydon and Finchley for qualified accountants with up to three years post qualification experience. Successful applicants will be offered:

- ★ Attractive Salary
- \* Location Allowance
- ★ Non-Contributory Pension Scheme
- ★ Preferential loan and mortgage facilities after a qualifying period
- Subsidised Restaurant Facilities

If you are ambitious, possess a good personality and have the ability to work with minimum supervision, please write or elephone for an application form to:

> Norman Haydock, Personnel Officer, Lombard North Central Limited, Lombard House. Curzon Street, London W1A 1EU. Telephone: 01-499 4111



A member of the National Westminster Bank Group

#### FINANCIAL DIRECTOR

(DESIGNATE)

£10.000 p.a.

LEICESTERSHIRE

EMPIRE STONE COMPANY LIMITED, a leading manufacturer of pre-cast concrete and reconstructed stone products, invites applications from suitably qualified accountants to fill this newly created post.

Candidates will need to be Chartered or Certified Accountants or members of the I.C.M.A. and will have had considerable industrial experience including the operation of a job (or contract) costing system.

The salary will commence at £10,000 p.a. and will increase to £12,000 p.a. or appointment to the Board in due course. A car will also be provided.

The company is located at Narborough, near to Leicester, but written applications should be sent to Thornton Baker, Chartered Accountants, 8 West Walk, Leicester, quoting reference G.T.

#### ACTUARY— NEW ZEALAND

We require a recently qualified or near qualified actuary for our Auckland, New Zealand, office. Work is varied and involves mostly pension and small life office work for a local consulting actuarial practice. Partnership will be available for the right person after qualifying period. Some consulting experience is desirable and pay will reflect this. Pay will be in range NZ Dollars 15,000 to NZ Dollars 20,000 (about £7,500 to £10,000) and assistance will be given with moving expenses. We will arrange necessary entry permits. Please send curriculum vitae with contact phone number

Box A.6836, Financial Times, 10. Cannon Street. EC4P 4BY. Interviews conducted July 23rd to 27th in London. Assistant Company Secretary c.£8000 and car North London

A major UK operating manufacturing and marketing Company, based in North London, wishes to appoint a Chartered Secretary, aged around 40, with at least 10 years' relevant experience, to act as Assistant to the Company Secretary.

The successful candidate (male or female) will provide assistance to the

Secretary on all aspects of his work and will personally act as Secretary to several subsidiary organisations. The Assistant Secretary will also operate as line management of the Company's properties. insurances and other related activities.

The position carries a company car plus an attractive remuneration and benefits package including relocation expenses where appropriate.
Please write in stringest confidence, enclosing a brief but relevant curriculum vitae to The Confidential Reply Manager. A691, T.G. Scott & Son Ltd., 30-32 Southampton Street, London WC2E 7HR.

## PERSONNEL AND **ADMINISTRATION** MANAGER

We are an international containership operator with our Divisional Headquarters soon to be located in Knightsbridge. The Company has been long established in Europe and anticipates substantial growth in the foreseeable future.

We require a person to further develop and administer all aspects of European Personnel and Administration. The duties involve policy decisions concerning European personnel matters (including pensions) coupled with company legal and secretarial functions.

Suitable applicants should have a degree in business studies or a professional qualification, working experience in another EEC country and knowledge of European languages would be a distinct advantage. Salary is negotiable, in the five-figure range.

Applications, giving full career history and salary progression will be treated in the strictest confidence. and should be addressed to:

Box A.6837, Financial Times 10 Cannon Street, EC4P 4BY.

#### Solicitor for Dubai

We seek a bright enthusiastic young Solicitor to join growing Middle East practice. Applicants should have not less than 18 months' post-admittance experience in general commercial law. Some banking (international/domestic) experience an asset. A generous salary will be offered together with accommodation, outgoings, car, good annual leave terms, dub membership, insurances, pension scheme, initial clothing allowances and annual passages. A challenging position to suit an energetic woung man anxious to acquire early, diverse experience and responsibility. Please contact to Cooper for an application form at Denton Hall & Burgin on 01-242 1212.

#### **Non-Executive** DIRECTOR

A substantial Retall Group specialising in High Fidelity and Photographic equipment seek to appoint a non-executive director. The ideal candidate would be a recently retired senior executive from a similar retailing field able to strend regular executive and board meet-ings and to be available for consultation with younger colleagues. Write Box A.6835, Financial Times, 10, Cannon Street, EC4P 4BY: GENERAL MANAGER SAUDI ARABIA

01-828 8055 Churchill Personnel Contains Abford House 15 Wilson Road.

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SECRETARY PA £5000 4 weeks holiday flexible hours 10% bonus

To work for the Managing Director of pres-tigeous International Company. Confidential work. Phone Elizabeth Slade 584-8166.

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Working for the Chairman keeping diary, making arrangements, very interesting and varied position. Suitable for someone with good skills and plenty of initiative.

Please phone Elizabeth Slade 584 8166. ADMIN. Assistant £5000

+ 4 weeks holiday LV's To work as an administrative back-up in a small friendly Architects dealing with correspondence, diary and general smooth running of the Please phone Elizabeth Slade 584 8165.

SECRETARY PA £5000 Oll Company

To work for the Chairman, should have good organising ability. Excellent working conditions, good prospects for advancement

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Flexible hours LV's Working for the Senior Partner of Property Company who deal with office and property management in Central London Superb working conditions, own office

Please phone Elizabeth Slade 584 8166. ALFRED MARKS STAFF BUREAU

62 Brompton Road SW3 (Opposite Harrods)

£6.000

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9

accountancy appointments

£9,000

**Chief Accountant** 

An experienced qualified person is to be

appointed as Chief Accountant of the Southern

Region of W. & J. Glossop Limited. The success-

ful applicant will be a member of the manage-

ment team and will be based at Tonbridge.

Besides a first class accounting background a

well-developed business acumen and manage-

ment ability is essential. This is a senior

Joint Managing Director,

CITY OFFICE OPEN TILL 6 PM DAILY, AND THURSDAYS TILL 7 PM END OFFICE LATE OPENING THURSDAYS TILL 8 PM

SENIOR INTERNAL AUDITOR

c. £8,500 + car
Our client, an international Engineering and contractors group, are seeking to recruit a dynamic young Accountant for their internal Audit team. The successful candidate will report to the Internal Audit Manager and be responsible tor operational audits throughout the South East (mostly daily travel). Applicants should ideally be graduate accountants who are looking for an early opportunity to be promoted into line positions.

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IPS Group

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LUMLEY CAZALET, 24 Davies St. W.1. 01-499 4058. Akira Kurosaki—Recent woodcuttings. Until 27 July. SABIM GALLERIES, 4. Cork Street, W.1. 01-734 6186. EXHIBITION OF ENGLISH PAINTINGS 1611-1830. Monday-Friday 9.30-5.30.

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THE PARKER GALLERY, 2. Albemarie Street. Piczedilly, W.1. Exhibition of old Marine, Military and Sporting and Topo-oraphical Prints and Paintings and Ships Models.

WADDINGTON GALLERIES, 34. Cork Street, W.1. 439 1866, PATRICK CAUL-FIELD — Recent Paintings. Soft June-28th July. Daily 10-5.30. Sets. 10-1. WADDINGTON GALLERIES, 31. Cork Street. W.1. 439 1866, MENRY MORE Drawings and Watercolours 1927-59. Sats. 10-1.

**EXHIBITIONS** 

Extel Recruitment

R. W. Simms, Esq.,

W. & J. Glossop Ltd.,

Vale Road

Tonbridge.

Kent.

appointment.

Curriculum vitae to:

#### Manufacturing & **Capital Accounting** Manager Greenford c£8.500

This is an outstanding opportunity for a dynamic accountant with one of Britain's best known and most successful grocery manufacturers with a Accountant and the successful candidate with

Accountant and the successful candidate will not only have to be on top of the whole range of his professional skills; but will need to demonstrate and develop the managerial abilities required for this role. Full responsibility is delegated for tunning a department which must provide the appropriate financial input into the Manufactioning operation. This will require close liaison with all levels of management on such activities as planning, budgeting, costing, financial interpretation and analysis, financial control and project appraisal.

The requirement is for a fully qualified accountant with several years industrial expetience. There must be the ability to communicate effectively with all levels Starting salary is negotiable around 28,500, on top of which are generous benefits. We are looking for the type of individual who will be promotable within our progressive organisation in the near future. Please write with full career details on telephone for an application form to: Mrs. J. Parry, Personnel Officer, Lyons Telley Ltd.;

Oldfield Lane, Greenford, Middx\_UB6 0AY. Tel. 01-578 2345 Ext. 290.

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up to £7,000 p.a.

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Responsibility for the day-to-day accounting of the holding company;

Preparation of subsidiary and group accounts;

Company Secretarial duties.

The position reports to the group Accountant. The group operates a non-contributory cension scheme and life cover.

> Please reply with full curriculum vilue to -W. A. T. Morecombe, B.Sc., F.C.A. or R. S. Nolan, F.C.A.

Planned Savings (Holdings) Limited 1 25/29 Worship Street, London, BC2

# Financial **Accountant**

Sussex c.£7800

British Caledonian îs Europe's largest, independent international, scheduled airline and has developed rapidly since its formation in 1970.

Owing to a transfer within the Caledonian Airways Group, we now seek a Financial Accountant, man or woman, to take responsibility for financial control and for providing an effective reporting and recording service. You will manage a small team of highly trained staff and your duties will include producing monthly and annual reports, controlling the computerised Nominal Ledger and advising on technical aspects of financial accounting.

Preferably fully qualified, you must have wide general accounting experience in a commercial or industrial environment and particular experience of financial accounting, including the preparation of statutory

You will be working from modern offices in the centre of Crawley, and staff benefits will include free life assurance and excellent worldwide travel concessions.

Please telephone Crawley (0293) 27890, extension 2445/2045 for an application form, or write to: Personnel Selection Officer, British Caledonian Airways, London Airport, Gatwick, Horley, Surrey, RH6 OLT.



#### COMPANY ACCOUNTANT. /SECRETARY

Rapid expension means that we now require a dynamic Accountant to become part of the management team with particular emphasis on financial management and systems development.

Salary to £5.500 offered with a car, participation in generous profit sharing scheme and some opportunities to travel. Location: Central Croydon.

Write with full particulars to: Patrick Wrigley, Managing Director,

HOLDAY VILLAS

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if you feel you have the qualities
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from you. Please phone Mr. Cooklin
to find out the excellent future wa
could after you.

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Investigations department of a

London practice wants two recently qualified ACAs for

very interesting work. Graduates preferred, finalists considered. For further details

Brian Ingram

INGRAM

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01-458 5313

Qualified Accountant

OLD COURT DOLLAR

COMMODITY TRUST

(CDRs)

The undersigned announces that the report for the period ended 20th April. 1979, of Old Court

Pierson, Heldring & Pierson N.V., Algemene Bank Nederland N.V.,

Amsterdam-Rotterdam Bk., N.V.,

AMSTERDAM DEPOSITARY
COMPANY N.V.

US\$50.000.000 6% PER CENT GUARANTEED BONDS 1989

Holders of the above Bonds are advised that copies of the Asmual Report and Accounts of British Steel Corporation for the year ended 31st March, 1979, are available from S. G. Warburg & Co. Ltd., Coupon Department, St. Albans House, Goldsmith Street, London EC2P, 2DL.

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ISSUED BY FUROPEAN OVERSEAS
ISSUING CORPORATION S.A.
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COUPON NO. 1
IT IN THE PROPERTY AT BENGUE
INSTELLED LINE OF THE TENER OF THE TEN

USSASSES per 19 overhead tax that may be deductible.

This amount represents the dividend of CSSO 4 per share, less Brazilian with-benefit of the control of

PENCRURCH PROPAGE I STATE OF THE PROPAGE IS MERCHY TO SECTION 293 of the Companies Act 1948, that a Meeting of the Creations of the above-named Company will be held at 23, Fencherch Street, London EC3P 3ED on 8th August, 1979 at 12 noon, furthe purposes membraded in Sections 293, 294 and 295 of the said Act.

By Order of the Board, R. M. ILES,

HOLLYDOWN LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act 1348, that a Meeting of the Creditors of the above-akened Company will be held at 23 Fenchurch Street. London ECSF 550, on 8th August 1979, at 12 noon, for the purcoset mentioned is Sections 293, 294 and 295 or the 331 Sections 293. By Order of the Board.

23 Fenciauch Street, London EC3P 38D. Dated this fifth day of July, 1979.

23 Fenchurch Street. London EC3P 3ED. Dated this lifth day of July 1979.

17th July, 1979.

available in Amsterdam at

Bank Mees & Hope N.V., Kas-Associatie N.V.

Amsterdam, July 6th, 1979.

Accountant

COMPANY

NOTICES

Tax Assistant

#### accountancy appointments £9,000 £6,000

Please telephone quoting ref: FT0570

DUNLOP AND BADENOCH (Agy.)

These advertisements appeared in the Financial Times on 10th July, 1979

31 Percy Street, WI

25 Lime Street, EC3

Job Title Salary Location £7,500 Sussex £6,500 Worthing Management Accountant Financial Accountant £4,000-£8,000 Various To £9,000 West End Financial Controller £8,000 C. London Financial Analyst £8,000 London £18,000 Saudi Arabia £13,500 Saudi Arabia £15,000 Saudi Arabia PA to Director Audit Manager Capital Asset Controller Senior Auditor Accountants London Lectureship in Finance/Accounting £4,232-£8,452 | Manchester £10,000+ | Saudi Ara £7,000-£11,000 | Various \ Senior Accountants Saudi Arabia Various Assistant to Group £8,000+Benefits Finance Manager Assistant Financial London W1 Accountant Wiltshire £6,000 Accountant

Dunlop & Badenoch Timbmet Ltd. MSMS International Ltd. MSMS International Ltd. Up to £8,500 London based £7,000+ London based For the full text of the advertisement please see the F.T. of that date or telephone Sally Stanley on 01-248 5597

GENERAL APPOINTMENTS

# INVESTMENT

The Royal Bank of Scotland Limited has vacancies for Analysis to work in its Investment Department based in Edinburgh which, in addition to private portfolios, manages substantial pension and institutional funds

A position exists for an individual with at least five years' experience, preferably in research work involving the preparation of detailed sector and company reports. Consideration will also be given to

engaging a suitably qualified Analyst to assist in private portfolio management.

The posts will carry a competitive salary and a number of attractive fringe benefits, including non-contributory Pension and Staff House Purchase Schemes.

Applications, stating age, qualifications and previous experience, should be made in writing to:

The Staff Manager The Royal Bank of Scotland Limited PO Box 31

42 St Andrew Square EDINBURGH EH22YE

# The Royal Bank of Scotland You'll get on better with us.

#### **ASSISTANT MANAGER** CREDIT ADMINISTRATOR

AGE 25-30

International bank with London presence, dealing mainly in syndicated loans, seeks a mature, conscientious person with comprehensive credit administration background to supervise and participate in the administration of the bank's loan portfolio. In addition, the successful candidate will be familiar with the syndicated loan market and possess demonstrated writing skills to contribute towards both internal and external publications. The individual will report directly to a managing director and will take outstanding prospects for personal development as an international merchant banker. The bank offers a comprehensive benefits backage. International bank with London presence, dealing mainly in Reply in confidence to:

The Managing Director CANADIAN AMERICAN BANK SA (London Representative Office) Stock Exchange Tower, Old Broad Street, London EC2N 1ED

#### APPOINTMENTS WANTED

#### DIRECTORSHIP

Twenty years' varied business experience, qualified accountant in Scotland, Canada and U.S.A. Good business sense, domiciled in USA presently corporate officer of N.YS.E. company. Write Box A6839; Financial Times, 10 Cannon Street, EC4P 4BY.

# **ARE YOU**

A memo to school-leavers

## KEEN TO BE A **JOURNALIST?**

Are you interested in learning the craft of news journalism? Trainees must be ready to learn how to interview people about community affairs and to cover courts, councils and public events of all kinds, developing also a reporter's news sense. For the NCTI Newspaper Journalism one year full-time course starting this September, apply without delay to the National Council for the Training of Journalists, 1979.
High Street, Epping, Essex
CM16 4BG, if you will be under
20 on September 1st and may
have two 'A' levels by then.
The course should be followed by 24 years indenture to a provincial newspaper for job-experience completion of training.

#### **ADVERTISING SALESPERSON**

Advertising sales knowledge of U.S. financial and business publications. . Must be fluent in one foreign language other than French, German preferred. Willing to travel extensively. Initiative and desire to succeed imperative. Some background in finance and Middle East business preferable. Salary open, plus

Denise C. Coleman, Institutional Investor (Europe) Inc., 28 Great Queen Street, London, W.C.Z. Tel: 01-404 5232

#### **DOCUMENTARY** CREDITS

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UP TO £5500

A top American Bank requires someons, mid-20s, with at least 2 years experience of opening letters of Credit. You'll have considerable contact with clients, perticularly those in Europe, so knowledge of French is needed. Excellent benefits include bonus acheme, 3% mortgage facility and 50p LVs.

Call Joanna Brown on **81-580 3536.** ALISON HARDING LIMITED, Banking Recruitment Unit.

#### **ART GALLERIES**

£7,500 Twickenham

NTONY d'OFFAY, 9, Dering Street, New Bond Street. DAVID JONES, Mon.-Fri, 10-5. 01-629 1578. BROWSE & DARBY LID., 19, Cork St. W.1. KEITH GRANT—RECENT PAINT-INGS. "A WINTER JOURNEY." FIELDBOURNE GALLERIES, 63, Queem Grove, N.W.S. 586 S600, RODNEY GLUR, R.A. Eightleth Birthday Exhib-tion. Lin. GALLERY, Contemporary Artists of the English School. HAMILTONS. 13. Carlos Place, Nr. Grosvenor Square, W.1. 499 3493-4. ONE HUNDRED BRAZILLAN PRIMITIVE AND NATIVE PAINTINGS. Sculptures by BELLA KARAWAEWA PRADO. Sponsored by the Brazilian Embassy. 5 July-31 July.

PAINTINGS. Weekdays 10-5. Sat. 10-1. At 30. Bruton Street, London, W.1. Tel. 01-493 1572. 01-493 1572.

MALL GALLERIES, The Mall, SW1. Society of Women Artists 117th Exhibition. Dally (Inc. Sens.) 10-5. Until 1 p.m. 25th July. Adm. 20p. MARLBOROUGH, 6. Albemarie St., W.1. EGON SCHIELE Exhibition of water-colours and drawings, until 31 August. Moa.-Fri. 10-3.30. Sat. 10-12.30. OMELL GALLERIES, 40, Albemarie St., Piccadilly, W.1. New selections of the modern French paintings including flamchard, Chethous, Deschamos, Delin, Grosot, Herve, Jacob, Posset, Robin, etc. and the modern British marine paintings and watercolours.

and Watercolours.

OMELL GALLERIES. 22. Bury Street. St.
James's. S.W.1. 19th CENTURY ENGLISH AND CONTINENTAL OIL PAINTINGS. Our chrent stock comprises over
five hundred selected works with prices
from £400 to £10,000. Write now or
telephone 01-838 4274-5 for a compilnettary copy of our SUMMER CATALOGUE.

**CLUBS** EVE has outlived the others because of a policy of fair play and value for money. Suppers from 10-3.30. Disco and too musicians, glamorous hostesses, exclude floor shows. 189, Regent St. 734 0867. GARGOYLE, 69. Dean Street London. W.1. NEW STRIPTEASE FLOORSHOW

11-3.30 am. Show at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

THE WORSHIPFUL COMPANY OF GOLD-SMITHS announce "LOTO" 79" — every SMITHS announce "LOTO" 79" — every being by "LOTO" 79" — every being by "LOTO" 10.15-5.00 Mgn.-Smith Exhibition open 10.15-5.00 Mgn.-Smith Sth-28th July, 1979. Goldsmith's Hall. Foster Lave, E.C.2. Tube St. Paul's. Admission free.

# Lite war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it.
But for some the wars live on. The disabled from
both World Wars and from lesser campaigns, now all
too easily forgotten; the widows, the orphans and the
children – for them their war lives on, every day and

all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Govern

pension. But there is a limit to what any Government
Department can do.
This is where Army Benevolence steps in. With
understanding. With a sense of urgency... and with
practical, financial help.
To us it is a privilege to help these brave men—and
women, too. Please will you help us to do more? We
must not let our soldiers down.

The Army Benevolent Fund for soldiers, ex-soldiers and their families in distress Dept. FT. Duke of York's HO, London SW3 4SP

**APPOINTMENTS** 

# **Board posts at** Tyne Tees TV

Lord Peart of Workington.
Opposition Leader in the House of Lords, and Professor Laurence Woodward Martin, vice-chancellor of Newcastle University, have joined the board of TYNE TEES TELEVISION.

Mr. Donald Munro has been appointed sales manager (international) of HONGKONG UNITED DOCKYARDS. He was general manager and director of Malta Dry Docks (UK) in Lon-

Mr. Bonald Scheffer, who recently became a director of BRUYNZEEL WOOD PRODUCTS, has been appointed managing director in place of Mr. Harm Post, who has retired.

Mr. Nathaniel B. Butterfield is joining the London office of HEIDRICK AND STRUGGLES as managing director and vice president from August 20.

Mr. J. P. Medd, chairman and managing director of DOULTON
AND CO., will be succeeded as
managing director at the beginning of next year by Mr. R. H. Lamb, who is at present managing director of Doulton Glass Industries. Mr. Medd will continue as executive chairman. The following appointments also take place from that date: Royal Doulton Tableware (Holdings)

—Mr. R. J. Bailey, executive chairman, Mr. J. G. Bellak, managing director, and Mr. Lamb to the Board. Doulton Glass Industries (Holdings) Mr. Lamb, chairman, and Mr. R. J. Brown, managing director, Doulton Engineering Group— Mr. Lamb joins the Board as chairman.

Mr. Colin Weston is to join the Board of AIRFIX INDUSTRIES as director of operations in September. He is at present a director of Timothy Whites and a senior executive of Bobs group, having been with that group for over 25 years. Mr. Weston will report to Mr. David

Sinigaglia, group director of Airfix. Mr. F. J. H. (Hugh) Brackett has been appointed to the Board of EDGBASTON INVESTMENT TRUST, following the death of Mr. Derek M. King. Mr. Brackett was senior partner in the firm of Debenham, Tewson and Chin-nocks until his retirement.

managing

Mr. D. S. Thompson has been prointed a director of TEWART WRIGHTSON appointed a STEWART (NORTH AMERICA).

Mr. Luke Meinertzhagen will be retiring as senior partner of CAZENOVE AND COMPANY, stockbrokers, on April 30, 1980. senior partners on May 1, 1980.

previously head of powder technology.

Mr. R. A. Jones has resigned his directorship of CROWN HOUSE and from his appoint-ments with the group. Mr. P. Edge-Partington has succeeded Mr. Jones as chairman of Crown House Engineering and Crown House Engineering International. Mr. B. J. Evans and Mr. B. J. Beardmore continue as managing directors of those companies, directors of the group.

\* Facer Mr. Ron been appointed assistant general manager (finance) of the LEICESTER BUILDING SOCIETY. He has been succeeded as chief accountant by Mr. Terry Payton. LESLIE AND GODWIN (UK)

is integrating its London office with the Frank B. Hall London office and Mr. Brian Hayuen assumes responsibility for the combined operation as London region directors. viously group technical director. from 1974 to 1979. Mr. Eddle Gibbs, executive director of Frank B. Hall Londirector of Frank B. Hall Lon- Mr. Tony Riches has been don office will assume direct appointed to the Board of responsibility for London region MILLSPROUD ELECTRONICS servicing. Mr. Michael Ruther- as sales director.

director. Mr. Christopher Waccy is appointed technical director. To coincide with these changes, Mr. Anthony Kauntze is appointed agministration direction. Mr. Howard Roberts is appointed an assistant director, servicing in north west region,

Mr. A. C. Longden, a director and general manager of Croda Hydrocarbons, has been appointed to the Board of CRODA ORGANIC CHEMICALS GROUP.

Mr. Trevor H. Scott has been elected president of the INTER-NATIONAL SOCIETY FOR THE PROTECTION OF ANIMALS.

Mr. J. A. Burrows and Mr. K. A Low have been appointed to the Board of CHANDLER HAR-GREAVES WHITTALL AND COMPANY.

Mr. René Henggeler, investment manager of the Winterthur Swiss Insurance Company, Winterthur, Switzerland, has joined the Board of NORWICH-WINTERTHUR HOLDINGS. He: replaces Mr. Gerhard Christen who has resigned from the Board.

Mr. D. Blunn, Mr. G. D. Bosley, Mr. R. H. Briance, Mr. P. V. Gold, Mr. N. P. Street and Mr. M. J. Thompson have become managers at CREDIT SUISSE FIRST BOSTON. Mr. C. G. Clarke, Mr. J. E. Crane, Mr. M. J. W. Daley, Mr. B. R. Keelan, Mr. G. F. McDevitt, Mr. R. I. Molson, Miss K. M. Nevin and Mr. J. J. Thoistrup have been made assistant managers.

Dr. John Williamson has been. appointed by REYROLLE PRO-TECTION (a unit of NEI Electronics) as commercial manager. He joins the company from Leyland and Birmingham Rubber. Mr. Geoffrey Graham has become field sales manager of REYROLLE INDUSTRIAL

Mr. J. W. Bishop, Miss B. Cowderoy and Mr. J. W. J. Jackson have been appointed assistant directors of MORGAN GRENFELL AND COMPANY.

BANK OF SCOTLAND has opened its new branch in Hong-Kong and four officials and their families have moved from Scot-land. They are Mr. George. Pringle and Mr. George Mitchell, to work with Mr. John. Monaghan, the branch manager, who has been in Hong Kong since September last year. Mr. John Slater and Mr. William stockbrokers, on April 30, 1980.

but he will remain a general in Hong Kong as assistant; partner for a further year. Mr.

John Kemp-Welch and Mr.

Anthony Forbes will become pectively. The new branch will pectively. act as a focal point of the bank's Mr. J. C. Moore has been already include a regional appointed manager of the office, under the overall charge engineering ceramics units at of Mr. Ian Robertson, assistant ASSOCIATED ENGINEERING general manager, who has rest DEVELOPMENTS. He was ponsibility for the bank's business in the whole of the South.

Mr. Ken Marsh has been appointed manufacturing director ments have been made at CAR-CARE PLAN GROUP on the control of the whole of the acquisition of the whole of the share capital by Mr Alan Longmate, the chairman, Mr. Clive Miller becomes chief, executive; Mr Alan Clarke joins the board as southern regional director; and Mr Peter Haigh-Lumby has been made company secretary and group accountant. Mr Kevin Mawson and Mrs.

Pacific basin.

Mr. Simon Mellor has been resigned from the Board of the appointed to the Board of DELTA METAL COMPANY. TALKING PICTURES PRODUCTIONS. sent London Central.

Wendy Longmate continue as.

Mr. Alan Preston has been appointed financial director of EDWARD R. BUCK AND SONS.

Mr. Peter K. Jasilowski bas been appointed to the Board of R. P. MARTIN STERLING.

is integrating its London office with the Frank B. Hall London office and Mr. Brian Hayuen of the ENGLISH-SPEAKING assumes responsibility for the UNION OF THE COMMON-combined operation as London region director. He was pre-

Second Annual Enrollment

#### **Structure and Function of the U.S. CAPITAL AND MONEY MARKETS** -how they really work.

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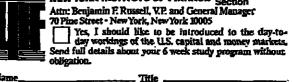
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# Why General Motors is willing to pay the Price of good works

Kenneth Gooding talks to GM's new director of social action

BOB FRICE, the American the productivity of the corpora-chairman and managing director than should improve, profits of Vauxhall Motors for the past should rise and enable the five years and the man iden corporation to plough more tified with its recovery, is to resources into social pro-become General Motors first grammes.

Mr Price Sect became in director of international social. Mr. Price first became in-action. He takes up his duties ferested in the subject of the on August 1, based in Detroit, corporation's role in the com-GW's world headquarters. Frunity in 1967. By 1973 he

The move emphasises once

But the appointment mainly. springs from Mr.: Price's own determination, and the fact that he has been able to convince the GM board that international philanthropy needs to be properly organised and co-

He has long held the conviction that corporations and there was not a long queue of industry generally have got to people wanting the job." get more directly involved in He was able to set up some get more directly involved in the human and social problems of the countries and communities in which they operate. hall but there was a great deal He says that as far as the of other work to be done before industrialised countries are conthe company was back in the

cerned, there is a tendency for people to assume that "they"— government authorities or independent agencies—are taking care of problem areas such as health, ageing, housing, educa-

#### Swamped

But they are being losses into a swamped and need a hell of a three years. lot of help." 'Industry as the wealth

creator should come forward with well-considered program-And in the developing coun-willing to allow that to work tries "in the battle for men's full time on this aspect of an

not sold itself well. It is up to u; to show in a practical way the benefits it can bring.", Mr. Price stresses that the

impact on the social and allied problems it is attempting support of GM's Public Policy

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munity in 1967. By 1973 he had decided that he wanted to work from

For this reason he went after the Vauxhall job. It was a natural step in his progression through the GM filerarchy and he retails "the challenge of turning round Vauxhall was too much not to go for after 33 years in the industry. Mind you,

interesting "social action" projects after his arrival at Vauxhall but there was a great deal the company was back in the black, to the modest tune of a £2m net profit last year. But it was Vauxhall's first profit since 1971 and in 1974 the losses had reached £18m.

This is not the first time Mr. Price has been associated with spectacular recovery programme. He helped stear GM's South African, basiness from losses into a \$25m profit in

So it is not surprising that the GM board is beginning to believe that the social action projects have played some part in the recoveries and are now minds the capitalist system has international scale anywhere where GM operates or is thinking of setting up operations.

Mr. Price now has his power

base after all, because, apart primary objective must be for from the support of many GM a corporation's efforts to make top executives, he has also an impact on the social and captured the interest and Committee . This committee. But these efforts will almost staffed entirely by "outsiders," certainly produce a payback "on was set up Juring 1973-74 at the hottom line of the profit and a time when CM's public image loss account." At individual was taking a real battering plant level it might take the The fact that CM today is a

form of a drop in absenteelsm much more outward-looking corand employee turnover. And poration, much more willing to Mr. Price is convinced that on speak up for fiself and the U.S. a wider front communities antomotive industry, owes much which benefit will become good to the committee and the willcustomers of the companies ingress of the GM executive involved in the social action." board to listen to its advice.

The spending power of the Mr. Price points out that

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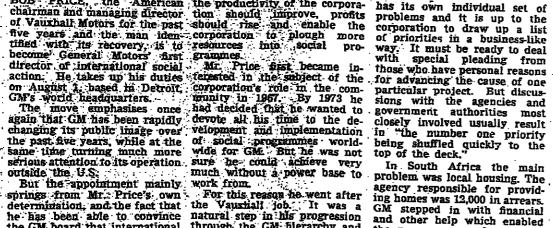
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#### Ravages

At Vauxhall in the UK the problems of the old jumped to the top of the priority list, particularly the difficulties of elderly people on fixed incomes attempting to deal with the ravages of steep inflation in the mid-1970s.

the programme to be speeded

up in the area from which it

was drawing many of its

Mr. Price recalls the advice he received at the outset from Group Captain Leonard founder of the Cheshire Foundation Homes which help the disabled in 35 countries. "Before you set out to save the world, see what is going on in your own back yard. What are you doing about your own pensioners?

Group Captain Cheshire also dvised: "Start small. Do something you can continuedon't plunge in with something big and then withdraw." As it happens, Bob Price introduced a programme of assistance started by a team of 33 volunteers who found that

around 600 of Vauxhall's 6,000 pensioners were in dire need. The volunteers go round visiting, dropping off some coal, putting in 'phones, filling in forms for those who don't know how to apply for social security payments or have been too proud to apply. They take a professional look around the



tell you," says Mr. Price. Some of his volunteer workers came from among the 6,800 Vauxhall employees who took voluntary redundancy or early retirement as Mr. Price reduced the Vauxhall workforce in the

18 months after he arrived. Vauxhall also raised pensions by about 30 per cent for most

have raised money for research into ageing-"why do some 60? Why are some of those who are helping pensioners older than the people they are helping, on there has not been one single but are more active?" Some Press release about the social fridge and around the kitchen: £30,000 has been raised equally action programme from Vaux forefront.

it's surprising what that can by Vaunhall, the employees and dealers.

> Other projects have involved help for Stoke Mandeville Hospital, mainly by way of Vauxhall's apprentices and workshops providing ideas and components for equipment to help the disabled patients lead more normal

And coming up is help for a escaren scheme into the As an additional step, the com- broader problems associated pany, its employees and dealers with being mentally handibroader problems associated capped. How can the victim's skills best be developed? How people look 90 when they are can their families best cope with

the difficulties?
While all this has been going

hall and no attempt by the company to make public rela-tions capital from it. You could make a terrible

mistake in talking about what you hope to achieve before you have achieved it. In any case, there is much more impact if independent people tell others about what you are doing." Mr. Price insists, however,

that there is "tremendous commercial payback" action projects but only in the methods of measuring the pay-

helping the Vauxhall pen-

employees and unions took a more responsible attitude in all discussions about Vauxhall's future "because they understood that the social action projects depended to some extent on the company's results. the projects and interested in

"I am sure we have a better relationship with our current employees because they feel they will not simply be forgotten when they retire. This has helped give us a more stable workforce.

When he takes up his new post Mr. Price will spend a great deal of time travelling in the first year or so. He intends to visit GM plants in Asia, Latin America and Africa to talk to local management, local authorities and agencies about the kind social action programmes that might be required. He has spent 17 of the past 23 years away from the U.S., mainly in Europe and he feels better acquainted with the requirements of that part of the world. He recognises that there are

some governments which might object, say they don't want GM's help-perhaps for reasons of or that GM might be accused of paternalism. And he says that if social problems are really to be dented, it must be by cumulative effort. Other industries,

other businesses will have to get involved. But I want GM to be to the

# Tailoring technical graduates to suit the company

BY A CORRESPONDENT

DETAILED PLANS for two technological topping-up, and engineering graduates in finalised by the Science approach. Research Council. The SRC is confident that both schemes. which will be experimental and based on part-time studies, will education spending cuts and the fact that the Department of Education and Science has not yet approved them.

The first scheme, to be known graduate initial education, will take the form of an apprenticeship package which will follow newly-qualified science and engineering science students into industry over a two or three-year period. demonstrations and companybased projects, it will help shape their performance to the

Briefing on financial and marketing aspects of the company's industry will be included, as well as more obvious "engineering" topics like design, logether with more specific specialisations, such as working

with particular high-speed tools. The second programme will consist of technological toppingut education for science and engineering graduates with five or ten years' practice in industry and who require up-dated instruction on new technological

#### Alienated

For instance, many managers with this sort of background had educations which covered only transistor electronics, so they have little knowledge of modern solid state physics and are reluctant to work with today's complex microelectronic technologies: the SRC scheme will aim to overcome this.

In both programmes, universities, as opposed to company or tion, and may even award pay some bursaries for the degrees. In the case of the students.

new schemes aimed at improv-ing the performance of science of popular presentation of material—may be asked to instruct managers who might British industry are now being be alienated by a drier, academic

be particular favourities of Sin Geoffrey Allen, the SRC chair commissioned by the council 18 months ago on the attitudes students to present part-time study in higher education.

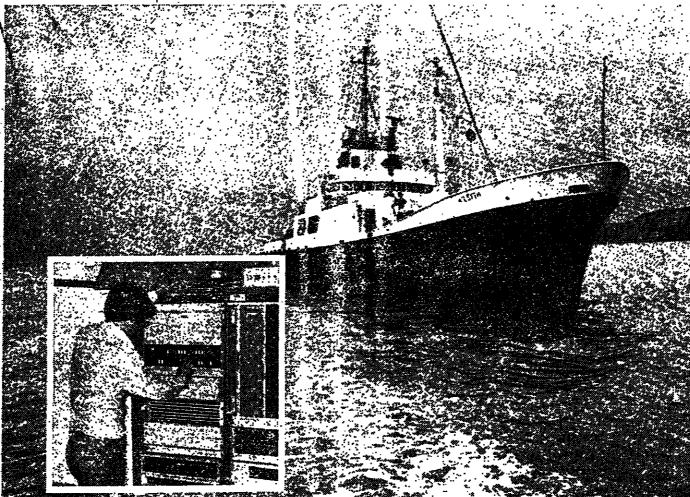
#### **Package**

In the case of the graduate initial education scheme, the SRC is now holding talks with engineering and automotive sectors and it is expected that a first experimental package, costing about £100,000, will be ready for an intake of students in October, 1980. Instruction will cover such topics as new technologies, management studies and accountancy and will be directed to the requirements of companies in selected indus-

Although many large companies already provide sophisti-cated training schemes for graduates, many smaller firms are considered to have inadequate arrangements. This problem could become critical if the Finniston Committee, now enasidering ways of improving Britain's manufacturing industrv, recommends registration for all engineers to ensure minimum professional standards. Engineering graduates in be at a severe disadvantage without the support of something like the SRC scheme.

Plans for the topping-up programme are still at a rudimentary stage: more details of industry's requirements are needed before the scheme can be implemented. The SRC hopes comprinces will pay the full salaries industry representatives, will of employees involved in the proprobably undertake the instruct jects, but it may be prepared to

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Winnersh. Wokingham, Berks RG11 5AR.

# Reserve role of the D-mark

BY DAVID MARSH

ing for the use of the Deutsche ticularly developing nations, is Mark as an international reserve well under 80 per cent. None the currency. Despite growing less there still seems to be a moves by central banks to diver- structural imbalance in the sify their reserve holdings out overall reserve make up. of the dollar and into the "hard" currencies, the Bundesbank is highly reluctant to accept that the Deutsche Mark has a natural role as one of the world's most

important reserve assets. The Bundesbank's dislike of reserve currency status has become even more illogical since the end of last year, when the U.S. Treasury, as part of the dollar defence moves urged on it above all by European central started to barrow Deutsche Marks abroad to build its foreign exchange up its reserves.

#### Debate

Since the November 1 dollar process rescue package, U.S. officials have stated their willingness to international role of the dollar. tiple currency reserve system"in which particularly the Deutsche Mark and ret take over some of the reserve currency burden shouldcred by the dollar-has become the subject of debate at the Bank for Inter national Settlements.

But the Bundesbank has not yet fully played its part. refusing to extend its facilities for central banks to hold Deutsche Marks in a controlled and orderly way, it is in fact contributing to the build-up of pressures in the international financial system.

The background to what Mr. Gordon Richardson, the Gover- attitude nor of the Bank of England, last
month called "the incoherence to the destabilising consequmonth called "the incoherence of the present arrangements for ences of large inflows of central the provision of reserves" is bank money into Germany. But that the proportion of dollars the answer is not so much to in the world's foreign exchange bar the inflows but to offset reserves, at around 80 per cent, them by ensuring that the is far too high considering the persistent inflationary trend of is a large net exporter of long-the U.S. economy. The dollar term capital through overseas component has remained surpris-investment, aid and foreign ingly steady over the last bank lending. Net long-term

tion of currency reserves have figure for a country in such indeed occurred. The Deutsche current account health as Mark now accounts for 8 to 10 Germany. At a time when the per cent, or roughly what sterl- U.S. looks highly unlikely to ing's share was at the beginning regain a low enough inflation of the 1970s. And when the large rate to win back fundamental dellar accruals in the reserves confidence among the world's of the major Group of Ten coundollar holders, it is not enough tries, which have resulted for Germany to appeal for more mainly from foreign exchange U.S. leadership to solve the market intervention. are sub- reserve currency problem tracted from the total, it is clear should show some itself.

IT IS time for a West German that the dollar component in the initiative to provide official back- reserves of many countries, par-

This has produced an in-built desire to shift out of the dollar which especially last year compounded the problems already caused by the U.S. current account deficit.

#### Japan's action

Reserve diversification looks likely to continue whether the world's monetary authorities want it or not. Far from carrying on a vain attempt to stop the growth in the D-Mark's reserve role, there is a clear need for the Bundesbank to seck ways of controlling and perhaps institutionalising the

The Bundesbank could take have stated their willingness to leaf out of the book of the Bank accept some reduction in the international role of the dollar, the build-up of yen holdings and the development of a 'mul- among central banks in S.E. Asia—and allow those central banks in Europe and elsewhere with a legitimate foreign trade interest in the D-Mark to increase their official working balances held at the Bundesbank. It could offer OPEC and other countries with large reserves formal channels for

long-term DM investments. It could even go so far as to inaugurate official contacts with foreign central banks in order to explore - and go some way towards satisfying-these countries medium- and long-term needs for DM reserve holdings. Above all, a change in

is required. Federal Republic year by year is a large net exporter of longcapital exports last year came Some changes in the composi- to only DM 2.2bn - a paltry

the wine of that central area, for a further six weeks. lying between Florence and Siena, now broadly known as the wine, as well as helping to Bettino Ricasoli in his castle of Brolio not far from Siena, "codified" Chianti, by laying down that it must be made principally from two red grape varieties and two white: Sangiovese and Canaiolo, and Treb-

biano Toscano and Malvasia respectively. He also stipulated to some degree what were the correct proportions, and these were defined in the 1967 DOC regulations. Sangiovese may vary from 50 per cent to 80 per cent, Canaiolo from 10 per cent to 30 per cent, and the two whites, with Trebbiano predominant, from 10 per cent to 30 per cent. It is not compulsory to use all four varieties, but a minimum of 10 per cent of white wine must be employed, the purpose being to lighten the rather powerful, tannic reds. One minor black grape may

of Chianti. First there is the Classico: the white wine many may think. But it can be governo. Up to 7 or 8 per cent obviously lightens the colour. drunk young enough, and on of the riper grapes are picked Again, some of the leading fat- my recent visit I enjoyed some

added too, principally

is in a sense 2 "modern" wine. the main crop, which takes up to less.

Of course red and white wine a month, depending on various was made for centuries on the growers' practice, these takiny delicious Tuscan hilksides, and grapes are added and a slow stabilise the wines but at the however is on the wive of mainred '69s at such estates as buy many fine 1975 riservas. The traditional picture of mainred '69s at such estates as buy many fine 1975 riservas. The traditional picture of mainred '69s at such estates as buy many fine 1975 riservas. The traditional picture of mainred '69s at such estates as buy many fine 1975 riservas. The traditional picture of mainred '69s at such estates as buy many fine 1975 riservas. The traditional picture of mainred '69s at such estates as buy many fine 1975 riservas. Chiant is of a wine bottled in Majoani-Guicciardini, Pasolini, and 1971s and was made for centuries on the growers' practice, these talsiny past is pasteurisation, used to the straw-covered fusco. This, S. Falice, Terriona, and the fusco. This is represented f

Chianti Classico. But it was round off its "corners," keeping only about 1860 that Baron it fresh and lively, and preventing a later fermentation in bottle. Preceding the Ricasoli reforms, it probably began in the days when the vinification was not very skilinly done by peasant farmers, and the gonerno covered up some of the deficiencies. It is not, however, obligatory. Some of the more sophisticated producers believe it to be unnecessary in normal

#### Outside aid

The other permitted but not compulsory addition to the blend is of up to 15 per cent of red wine from outside the region, usually from Apulla and Sicily, where the wines can be so strong that one would scarcely be surprised if a corkscrew were to stand upright in a glass. These wines can give strength, colour and additional roundness, for plain Chianti is not essentially olorino. a strong wine, with a legal mini-There are two other uncom- mum of 11½ degrees for ordinary mon elements in the production Chianti and 12 degrees for the

The ment It is now used mainly straw covering has to be handgoverno aids in the blending of only for export and net to such made under cottage industry

#### WINE.

BY EDMUND PENNING-ROWSELL

they produce from the Santo giovese a branded wine,
Tignanello, which may lack
To some of the punch of Chianti,
but also its common asperity.

Chianti may not be bottled before March following the vintage, and this precludes a Chianti novello — fortunately, many may think. But it can be drunk young enough.

The best vintages for three of Riecine, high in the years from the first day of Chianti mountains above Gatole.

January following the vintage. (Cockburn and Campbell, of Curzon Street, W1, are the sold in bottle, exactly reversible.

The best vintages for three of Riecine, high in the years from the first day of Chianti mountains above Gatole.

Goodburn and Campbell, of Curzon Street, W1, are the ing the changes in recent years, British agents and they list the proportion compared with the proportion compared w

shall be rowing in with Sonnen

Gold who has already won over

this stiff course. Half an hour

later Hopstone, bidding for a

hat trick, can take advantage of

the 19 lbs he receives from

another course winner, Fairy

Fisherman in the Souter

English and Irish derbys, is the

principal cause. Dick Hern's

remarkable colt is now three to

AYR

2.30—Paper Lad 3.00—Sonnen Gold\*\*

4.00-Streets Ahead

3.30—Hopstone

The King George VI and

Elizabeth Diamond

probably the world's

markets as Britain. Refrigera- conditions—as well as of cost tion is used to kill dangerous and its unsuitability for deferences and leave the wine patch and storage. Each flasor clear, but many growers do this now costs 1350 (about 19p). only for Chianti designed for more than double the cost of early drinking, and even then the special tosconello bottle, at Ugo and elsewhere. The prefer to treat it to avoid holding I litre and upwards, or Classico wines usually repay early drinking, and even then the special inscinence bottle, at ugo and ensembles are updation by other chemical means.

Some firms, notably Antinori, like to include in the blend only the minimum of white wine the minimum of white wine is now put in these call bottles, and among many I therefore quality, are all bottled; tasked I hope I may be excused and 40 per cent of all Chianti for singling out the 74 and 73 is now put in these callest wines wines with the resulting at his property

Some of these wines, as well as a number of 71s, were begin.

ming to lose fruit. On the whole Chianti is a wine at its best-after four or five years, and with age it does not entirely lose that somewhat astringent acidity which the Italians particolarly like to accompany their spicy foods. The Putto wines are often at their best within two years of the vintage, as Signor Amici-Grossi, president of the consorzio, was able to demonstrate to me in his cellars

CHIANTI. ABOUT whose separately, usually before the toric do not employ this imagreeable '78s: fresh, flavoury standing year was '64, followed of Greve, where 250 growers quality-control and promotional main harvest, and laid on straw ported grape must or wine, and bodies I wrote about in my last for three or four weeks. Then the tendency, as standards of attraction of a young Beat interesting Chiantis back to the sale. For no more than 12,500 attraction of a young Beat interesting Chiantis back to the sale. For no more than article (published on July 11), after the first fermentation of quality rise, is to rely on them iolais.

growers sell in the non-regulated past some, no doubt, were sold—without any warrant—as Chianti bianco, but although there has been such agitation for such a wine to be authorised and blessed with a DOC this is now recognised to he out of the question, for it would comuse those who know Chianti as a red wine Moreover wines from the Trebbiano grape which must constitute the bulk of any Tuscan white, tend to be on the heavy, plotting-side, though it is fair to say that they are often now much lighter and fresher than they were. Yet they might not compare very favourably on world markets with Soave, Verdicchie, and Frascati.

Perhaps some time in the future a new Tuscan white may be produced, not basically from the Trabbiano, but also from the increasingly popular Pinot grigio. Meanwhile, of course, there are DOC Tuscan whites, notably Vernaccia di San Gimignano, Pitigliano, Monte-carlo and the offshore white early in the 1970s.

Visitors to the region who carlo and the offshore white The best vintages for Chianti want to see a really representation of the Classico and 78, the worst 72 and 78, wines should visit the Enotica Tuscany is best known for red Going further back the out in the agreeable little town wines, and quite rightly so.

# Rheinsparkle to win for Cauthen

furlong of today's event will suit

Just two-Royal Caliph and

The Bedford face the Hills filly. The first-named got up

close home to beat No Bombs

and Rose Standish in a 12-mile

maiden event at Redcar on June

been given several worthwhile

boosts through the exploits of

heavy support at Nottingham

five days before Rheinsparkle's

Haydock run: holding off two

The Bedford, a bay son of the

Alcide mare, Grass Emerald,

but this mile and five furlongs

could be on the short side for

the runner-up.

23. The form of that event has Johnnie Handicap.

event. That was a good effort by able at 14 to 1.

Queen

The Bedford also obliged on most sought after prize, seems his last appearance. The bay son of English Prince justified the facile winner of both the

determined rivals in an one on with most bookmakers admittedly modest two-mile and Swiss Maid is readily avail-

STEVE CAUTHEN, voted there, Rheinsparkle neverthe-America's sportsman-of-the-year less kept on well inside the final Lad and Great Chum from the three seasons ago, has been quarter of a mile. The additional valuable Strathelyde Stakes I having a particularly lean time of it recently. The likeable 19- her admirably. year-old Kentucky jockey has had to suffer the effects of the outbreak of the virus at Barry Hills' stable. He has also had fewer rides for other stables. However, he broke a spell of

#### RACING

BY DOMINIC WIGAN

38 losers at Haydock recently and looks set for another win-ner at Ar this afternoon. Cauthen travels to Scotland's premier track to partner Rheinsparkle in the Kirkoswald

Although Rheinsparkle has yet to win this term she has proved herself a more than useful filly. Last time out she was far from disgraced in running third to Reprocolor and Brittania's Rule in the Lancashire Oaks at Haydock 10 days ago.

Most of the other events at Ayr have also cut up badly and there are just 31, runners. 10.00 News.

TRA Regions as La except at the following times: ANGLIA

10.35 am England Their England.
11.00 Witness To Yesterday, 11.25
Survival. 11.50 Cartoon Time. 1.25
Anglia News. 3.25 Out Of Town, 3.50
Cabbages And Kings. 5.15 The
Squirrels. 6.00 About Anglia. 7.30 TV
Movie: "Cyborg." 11.00 Insida Business. 11.30 Sidestreet. 12.30 am ATV

A I V
10.30 am Moming Cinema: "Virgin Island," starring John Cassavetes, Virgina Maskell and Sidney Poitier. 1.20 pm ATV Newsdesk. 3.20 Sounds of Britain. 3.55 The Addams Family. 5.15 Dynomurt. 6.00 ATV Today. 7.30 Hers Today, Hers Tomorrow, 8.00 Mind Your Language. 11.00 The Outsiders. BORDER

10.30 am Tuesday Cinema: "Very Importent Person." 1.20 pm Border News, 3.20 Sounds of Britain, 3.50 Untomed World. S.15 The Squirrets, 8.00 Lookaround Tuesday. 7.30 film: "The Gun." 11.00 The Human Face of China. 11.30 Sidestreet, 12.30 am Border News Summery.

**CHANNEL** 1.20 pm Channel Lunchtime News and What's On Where. 5.15 Stars On ice. 6.00 Report At Six, 8.00 BJ and the Bear. 10.28 Channel Late Nows. 11.09 Barney Miller, 11.30 The Sweeney, 12.25 am Visages de Franco. GRAMPIAN

9.30 am First Thing, 10.35 The Coral World, 11.35 Spiderman, 1.20 pm Grampian News Headlines, 3.30 Code R. 5.15 The Squirrels, 6.00 Grampian Today, 6.05 The Electric Theatre Show, 11.30 Reflections, 11.35 Power Without Glory, 12.30 am Grampian Late Night Headlines, GRANADA

URANAJA

10.30 pm Sesame Street. 11.25 The Beachcombers. 11.50 Look At Life. 1.20 pm Cartoon. 3.30 The Story of Winse. 3.50 The American World of Kreskin. 5.10 The Underses Adventures of Captain Nemo. 5.16 Crossroads. 6.00 Granada Reports. 6.35 Cabbages and Kings. 7.35 The Tucaday Movie; "The New Love Boat." 11.00 The Late Night Alovie: "Lanigan's Rabbi." HTV

4.30—Come About 5.00-Rheinsparkle\*\*\* Human Face of China. 11.30 West Side 10.30 Camera.
11.00 Mavis Wanting To Know.
11.30 Colgate World Mixed Golf
Championship.
12.25 am Close: Personal choice
by George Baker.

Medical.

HTV Cymru/Wales—As HTV General
Service except:— 1.20-1.25 pm.
Penswdau Newyddion y Dydd. 4.29-4.48
Goglis. 6.00-6.75 Y Dydd. 10.30 Bywyd.
HTV West—As HTV General Service
except:— 1.25-1.30 pm Report West
Headlines. 6.16-8.30 Report West

> SCOTTISH T10.30 am Fasture Film: "Seven Angry Men." 1.25 pm News. 3.30 Sounds of Britain. 4.00 Cartoon Adventure. 5.15 Poppye. 5.20 Crossroads 6.00 Scotland Today—Summer Extra. 6.30 Get Some in. 7.30 Festure Film: "The Last Rampage." 10.28 Scottish News Headlines. 11.00 Lats Call. 11.05 From the Top. 11.35 Pro-Celebrity Darts.

> SOUTHERN SOUTHERN
>
> 10.30 am Call it Macaroni. 17.00
> Devid Hand Cartoon. 11.10 Animated
> Classics. 1.20 pm Southern News, 3.25
> Stars On Ice. 3.50 Set Some In. 5.15
> Betty Boop. 5.20 Crostroads. 6.00 Day
> By Day. 6.35 Scene Midweek (South
> East area only). 7.30 McMillan. 11.00
> Southern News Extra. 11.10 Colgate
> World Mixed Golf Championships.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines 10.30 Morning Movie: "In The Doghouse," starring Leslie Phillips, 1.20 pm North East News and Lookaround, 3.30 Time To Spare, 3.50 The New Andy Williams Show, 5.15 Mork and Mindy, 6.00 Northern Lie, 7.30 TV Movie: "Mr. Inside/Mr. Outside." 11.00 Chack It Out, 11.30 Mannix, 12.30 am Epliggue III STER ULSTER ULSTER

10,30 am Tuesday Morning Movie:
"Genevieve," starring John Gregson,
Dinah Sherldan, Kenneth More and Kay
Kendell. 1.20 pm Lunchtime. 3.30
Chopper Squad, 4.18 Ulster News
Headlines. 5.15 Cartoon Time. 5.20
Crossroads. 6.00 Ulster Television
News. 6.15 Milestones or Milistones.
6.30 The Best Disco in Town. 7.30
George Hamilton IV. 8.00 The New
Avengers, 11.00 The Outsiders, 12.00
Bedtime.

WESTWARD

WESTWARD WESTWARD

10.30 am Sebame Street. 11.30 Call
Maceroni. 11.50 Cartoontime. 12.27 pm
Gus Honeybun's Birthdays. 1.20 Westward
News Heedhines. 5.75 Stars On Ios. 6.00 Westward Diary 7.30
Thunderctoud. 8.00 BJ and the Bear.
10.28 Westward Late News. 11.00
Barney Miller. 11.30 The Sweeney. 12.25
am Faith for Lie. 12.30 West Country
Weather and Shipping Forecast.

am Faith for Life, 12-30 West Country
Weather and Shipping Forecast.

YORKSHIRE

10.30 am Mumbly, 10.45 Beachcombers, 11 10 Journey to the Centre
of the Earth, 1.20 pm Calendar News,
3.25 Calendar Tuesday, 3.50 Cabbages
and Kings, 5.15 The Squirrels, 6.00
Calendar (Emley Moor and Balmont;
Sds), 7.30 Lucan, 11.00 The Human
Face of China, 11.30 Side Street.

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Ton't & Fri 7-30 Caralleria rusticand/
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MARTHA GRAHAM DANCE COMPANY
With LIZA MINNELLI (25, 25, 26, 28,
30 July. 25 July Gala Peri. Introduced
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RUYAL SHAKESPEAPE COMPANY
In repertoire
In repertoire
ANTONY AND CLEOPATRA
(Sold get unit) July 261
With John O'Keefle's WILD OATS
(Comport) and Mikhail Bulgakov's
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"THE IMPACT HIT ME LIKE A THUNDERBOAT FROM JOVE THE LANGUAGE BLAZES WITH WIT AND INTELLIGENCE AND ITS THEME ELECTRIFIES." DAILY MAIL.

"WHEN WE MED IN THE GRIP OF ITS DIALACE BODIES STILL RAISES ECHO COLOURS AND LAVERS OF ITS LAUGHOUS AND HEARTS. DINSDALE LANDEN'S PERFORMANCE IN WORTH GOING MILES TO SEE!" SECOND LEVIN.

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THE ACTUAL STATE OF "SOCIED GEORGE."

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Live on Stage
"ENERGY AND VILLE THE STAGE
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AS SLICK. SMOOTH AND SLEEK AS
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"The dancers vibrate, escitate, and
pulsate, while toplest, yet retaining their
baubles, bangles and beads." Ev. News.
ORTUNE, 836 2238. Evs. 8.00. Macs.
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MURDER AT THE VICARAGE
FOURTH GREAT YEAR

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West End Theatre Awardsh by Brian Clarke. Mountains blay.
Lurge you to see it, Gastian.
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WORLD'S LONGEST-REVER RUN
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LAST TWO WERKS OF SEASON—
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Theatre is fully air conditioned.

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" It is a foot sensing, pulsating actionpacked African musical Row.
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Nighthy at 8.00 and 10.00. Sin, 5.00
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OFF, The etail: experience of the modern
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New girls, new acts, new production.

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CLASSIC 7, 2, 3, 4, Onford Street, 636 0310 Corp., Tottepharn Court Rd., Tuber, 11, R. R., Tolkien 3: THE LURD OF THE FUNGS (A) In Doby state Props. 1:00. 2-22; Soll, 8.20. Special concessions for S.25: 5.50, 8.20. Special coccessions for school purios.
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4: LAST 2: DAYSI THE WARRISHS (A), Pross, 1.00, 2.20, 5.45, 1.10.
LASSIC, Lebester Equipm. 520, 5815, Les Marris, Robert Suck, 2.44, 8.45. 

ODEON MARRIE ARCH, W2, 723, 2011-2
THE SHAPE OF THINGS TO COME (A),
Sep. Dets. Weeks doors open 2.00,
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At 7.00, 9.00, 11.00 pm. Open Suns.

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South-East only).

Indicates programme in BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.10 For Schools, Colleges. 10.55 Cricket: First Test—England v India. 1.30 pm Ragtime. 1.45 News. 2.10 Cricket: First Test. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Hunter's Gold. 5.10

5.40 News. 5.55 Nationwide (London and

6.55 Leo Sayer. 7.25 Centennial. 9.00 News. 9.25 Last of the Summer Wine. 9.55 The Royal International

6.20 Nationwide.

Horse Show. 10.55 Running Blind. 12.10 am Weather / Regional News.

All Regions as BBC1 except at the following times:

Roundabout. 9.55 Jackanory. 10.10 Don and Pete. 10.15 Hong

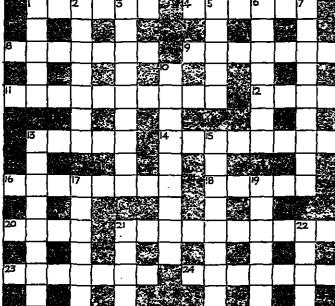
Scotland — 9.50 am Magic Points West (Bristol): South

Kong Phoney. 10.35-10.55 Take Hart. 5.55-6.20 Reporting Scotfor Scotland.

Wales-4.45 Crystal Tipps and Alistair. 450-5.10 Lladron Donaw.

Ask Aspel. 5.35 Captain Pugwash. land. 12.10 am News and Weather

F.T. CROSSWORD PUZZLE No. 4,023



ACROSS

Adjourn in alcove (6) 4 Foline drink? What a sauce! 8 Not in with support other- 6 Start of Scottish choral wise could remain longer

Il Consider it could be intentional (10) 12 Gave a false impression

(5)

14 Like some modern buildings to offer big increase in to offer big increase in to offer big increase in the space where defaulters are confined (54) and offer big increase in the space where defaulters are confined (54).

salary (4-4) 18 Another person in thought 22 Public ring on green (5) caddy (8) to make different (5)

20 Network making me quiet 21 Take a photograph of monster flower (10) 23 Fix dance and bagatelle (7)

gamble (7) 25 Land in eastern country (6) 26 Charm a stubborn animal before start of training (6)

DOWN

The second secon

around (5)

7 Body of constables on ship 9 Has his hookah got this in or it could be the owner (9) 10 Launderer used to be her chap (9) 13 Source of wine or rumour 13 Blood around pole in shrub

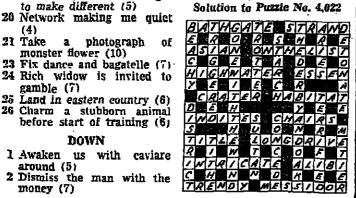
15 Watch space where

16 Mixed in caster and tea- 21 Divide a half-bottle of tonic water (5)

3 Announcement of a financial

Stone article over entrance

arrangement for pupil (7)



Outpaced by the two principals 5.55-6.20 Wales Today. 6.55-7.25 Heddiw. 12.10 am News and

Weather for Wales. Northern Ireland—4.18-4.20 pm Northern Ireland News, 5.55-6.20 Scene Around Six. 12.10 am News and Weather for Northern

England-5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham);

South West (Plymouth). BBC 2

6.40-7.55 am Open University. 11.00 Play School (as BBC1 4.20 pm).
4.30 Cricket: First Test—
England v India. 6.05 Open University. 6.55 What's Your Poison?

7.20 Mid-Evening News. 7.30 It's a Small World. 7.40 Sandor Vegh Masterclass. 8.10 Brass Tacks. shods M.P.

9,25 The Mayor of Caster-10.20 Portrait. 10.45 Golf: The Open.

11.13 Late News. 11.30 Cricket: First Test high-

12.00 Closedowo. LONDON 9.39 am A Place to Live. 9.45 Au Travail! 10.05 Farmhouse Kitchen. 10.30 Felix the Cat. 10.35 McMillan. 11.45 Mystery Island. 12.00 Paperplay. 12.10 pm Rainbow. 12.30 Emmerdale Farm. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 The National Gallery. 2.30 Reyday's Hotel. 3.25 The Love

Boat, 4.20 Runaround. 4.45 Words on War. 5.15 Sam. 6.00 Thames at 6. 6.25 Help!

6.35 Crossroads. 7.00 Sapphire and Steel. 7.30 Thundercloud. 8.00 The Streets of San Fran-

110.35 am "I'll Be Seeing You," star-ring Ginger Regers and Joseph Cotton. 1.20 pm Report West Headlines. 5.15 Molotoons. 5.20 Crossroads, 6.00 Report West 6.15 Report Wales. 6.30 The Squirrels. 7.30 Lucan. 11,00 The cisco.
9.00 ITV Playhouse — Getting In On Concorde. Radio Wavelengths BBC Radio London; 1458kHz, 206m & 94,9vhf Capital Radio: 1548kHz, 154m & 95.8vhf

(S) Stereophonic broadcast RADIO 1

NALTIU 1
5.00 am As Radio 2. 6.00 Andy
Peebles. 9.00 Simon Bates. 11.00 Radio
1 Road Show. 12.30 pm Newsboat.
12.45 Paul Burnett. 2.00 Poter Powell.
4.31 Kid Jensen. 7.00 Personal Call.
8.00 Mike Read. 9.50 Newsbeat 10.00
John Peel (S). 12.00-5.00 am As Radio
2. RADIO 2
5.00 am News Summary, 5.03 Tony
Brandon (S), 7.32 Terry Wogen (S),
10.03 Jimmy Young (S), 12.15 pm
Wagyoners' Welk, 12.30 Darek
Hobson's Open House (S), 2.15 David
Hamilton (S) 4.15 Much More Music
(S), 5.00 News, 5.05 Waggoners' Walk,
5.20 John Dunn (S), 6.45 Sports Desk,
7.02 On The Third Beat (S), 7.30 Sports
Desk, 7.33 Folk 79 (S), 8.02 Nordring
festival 1978 (S), 8.02 Among Your
Souvenits (S), 8.55 Sports Desk, 10.02
Variety Club, 11.02 Sports Desk, 10.02
Variety Club, 11.02 Sports Desk, 11.06
Brian Matthew with Round Midnight,
Including 12.00 News, 2.02-5.00 am You
and the Night and the Music with Jan
Leeming (S),
RADIO 3
6.55 am Weather, 7.00 News, 7.05 RADIO 2

6.55 am Weather, 7.00 News, 7.05 Overture, part 1 (S), 8.00 News, 8.05 Overture, part 2 (S), 9.00 News, 9.05 This Week's Common 1.00

(5). 9.36 Dobussy and Messlaen piano recutal (5). 10.05 "The Impresario." one-act opers by Mozart (5). 10.55 Crickes: First Test:—England v. India including 1.35 pm. News. 1.40 The Arts Worldwide. 2.00 Lunchtime scoreboard. 6.30 At Home. 7.10 Pied Piper (5). 7.30 English Piano Music (5). 8.20 BBC Northern Symphony Orchestrs, concert. part 1 (5). 9.05 Interval Reading. 9.15 Concert. part 2. 10.00 Mind, Matter and Mechanism. 10.45 Schumann piano recital (5). 11.00 Victoria (5). 11.55-12.00 News.

Medium Wave as follows:—6.00-7.00 am. Open University. 10.55 Music for Cello and Piano (5). 11.55 Middey Concert (5). 1.00 pm Nows. 105 The Arts Worldwide. 1.25 Schubert Looks Back (5). 2.05 Respighi concert (5). 2.50 in Partnership. 3.35 Music of the Dresming. 4.15 Jazz Today (5). 5.46-7.10 Open University. Open University. RADIO 4

RADIU 4
6.00 am News Briefing, 6.10 Farming Today, 6.25 Shipping forecast, 6.30 Today, including 6.45 Frayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day, 8.35 Yesterday in Parliament, 9.00 News 9.05 Tuocday Call, 10.00 News, 10.05 Local Time, 10.30 Deliy Service, 10.45 Merring Story, 11.00 Thirty-Minute Theatre, 11.30 A Sideways Look

BBC Radio London 5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcess. 4.03 Home Run. 6.10 Look. Stop. Listen. 7.30 Black Londoners. 8.30 All That Jazz. 10.03 Late Night London 12.00 As Radio 2. 12.05 am Question Time. 1.05-5.00 Join Radio 2. London Broadcasting 5.00 am Morning Music. 8.00 The AM Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports with George Gale at 3.00, 8.00 After Eight. 9.00 Nightline. 1.00 am Night Fundament Capital Radio Capital Radio
6.00 am Grahem Dene's Breaklast
Show (S). 9.00 Michael Asp Roger
12.00 Dave Cesh (S). 3.00 pm Roger
Scott (S), 7.00 London Today (S). 7.30
Open Line (S), 9.00 Nicky Home's Your
Mother Woulen't Like It (S) 11.00
Tony Myatt's Late Show (S). 2.00 am
Peter Young's Night Flight (S).

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Evps. 7.30. Tonight Remnins Figures 1'0 be in Touch, Pierrot Lunaire. Celebration. Tomor to Sat Cruel Garden. Aug 27.

Sept 1: THE SCOTTISM BALLET.

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Daily Man.

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"Hillarious ... do see it." San. Times.

Monday to Thuraday 2.30. Friday and
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THE HIT EROADWAY MUSICAL
FROM AUG. 6: Mon. to Fri. 8 bm.
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ANTON RODGERS
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THE CRUCIPER OF BLOOD
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HER MAJESTY'S. CC. 01-930 6606.
Evenings 8.00 Fri. Sat. 5.15 and 8.45
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The New Fats Walter Musical Show
"A RIOTOUS HIT." Daily Mail.
"JUBILANT. THE BEST PERFORMANCE
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Show 8.30. FIFTY WORDS: BYTS OF

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"TOTAL TRUMPH." Evening News.

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EVS. 7.45. Mets. Wed. and 5at; 5.00.
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"A spod show. Very colourful, lively and exceptionally well subg. spoken, and acted." Evening Standard.
The words. Jokes and spirit of safer have never been so clearly amplified since Glastone's day. Feening News.
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#### Kenwood/National Portrait Gallery

# Portraits of society by DAVID PIPER

At Kenwood until September tion is important indeed, 30 (and n.b. open daily to demonstrating not only the 7 pm). Express visuation 1891 development of Hadison's style, 1779. At the National Portrait as sever managed before, but Gallery until September 9, revealing also subtleties of John Singer Surgent and the characterisation that one has Educardian age. The coinci not previously associated with dence is a happy one, and the him, raising questions as to his epportunity to compare shall impact on the young Reynolds larities, and contrasts in the but also as to the impact of work of the leading society Reynolds in his early maturity portrait gainters of the reign on the work of his former of George II and in that of the master. The cataldgue, by Ellen outstanding one of the last of Miles and Jengh Simon, is decade of Victoria's reign and a substantial contribution to the of Edward VII's brief and histery of English painting.

formal and conventional.

male or female, may well be Faces are stroked by the met: the sitters will be posed brush into inexpressive regularly stiffly, within an elegant larity. The hodies are literally decorum, the ladies as if constrained by a backboard. Connot painted by this drapery fidence that individual features the likeness, would have been the exhibition demonstrates admirably who presided body though somewhat generalised, is probably justified but there will be none of that dramatic production (in the theatrical production (in the theatrical sense also) of individual sense also) of individual sense also) of individual sense also of which is no longer a fluid perament expressed physically, whisper but an almost starched often in pose of body as in crepitation. often in pose of body as in facial expression with which Hudson's pupil Reynolds was to galvanise English portraining recaptures (logether with perback into life. The Hudsonian haps Augustis John and qualities are indeed to be found. Ambrose. McEyev. in certain at Foundations. galvanise English portraiture back into life. The Hudsonian at Kenwood in the chronological survey of authentic work by him, but they are found at their

14.15

portraits. The paintings are most professionally competent, rich in colour, the world they reflect is untroubled by doubt, the pretensions of the sitters (the artist has almost none) apparently unsbakeable as they

of Edward VII's brief and insters of English painting, belated but opulent sway, is not Sargent, 150 years on seems to be missed. If, in some ways, to share his predecessor's contities a case of pits or change, indence in the security of the in others things are very society in which he lived and different.

Hudson's is his first ever one man show. He is remembered Sargent, abide within the generally, if at all, as Sir generally of a dominant strain Joshua Reynoids's master and in English portraiture, the as a convenient name to attach

Joshua Reynolds's master and in English portraiture, the as a convenient name to attach founding father of which is Van to unattributed portraits of the Dyck. Hudson however, marks mid-18th century, indicating a reaction against the fully thereby that the style of the baroque heirs of Van Dyck—object in question is bland. Lely, and then Kneller, who formal and conventional died as late as 1723-in the Expectations of meticulous direction of a more classicising and polished detailing of continental academic tradition splendid expensive costume, as of Mengs or Batont in Italy. male or female, may well be Faces are stroked by the

-crepitation. Sargent on the contrary

moods) perhaps for the last time the paroque frio of Van Dyckian portraiture: the world in which it was viable vanished. Honest similitudes said with the long Edwardian high Horace Walpole of Hudson's summer, in the autumn of 1914. The poignancy of the society that Sargent recorded is per-haps not so much that it is gone for eyer, but that it was clearly, unlike the early Georgian atmosphere caught by

(the artist has almost none) apparently unshakeable as they gaze with benigh complacency and self-satisfaction upon us it in provided roll were at the right level of society. If individually they might not Even when was has struck, endure for ever surely the Sargent painting two saidiers social order in which they stealing fruit suggests is the abide is eternal.

But also now gone for ever is the Carden of Eden rather—and for the non-specialist the than embattled. Finite. His charm of these portraits may more usual subjects the cream of society's cream, are lost never never land no less than in the decorative qualities. Hudson's, his women's clothes, pale arry saks or lawns; flowing For the specialist, the exhibitor afforts seem to blush into





The Duchess of Ancaster by Thomas Hudson, and Mrs. Carl Meyer and her Children by J. S. Sargent

which like Hudson's often echo Van Dyck's, are, however, relaxed, easy; his groups of feminine elegance are as fresh and delicate as clusters of newly picked flowers.

He does, of course, flatter, but this is (contrary to some assessments of him) not normally by vulgar prettifaction of the features. Consider — a splendidly handsome exercise this — Mrs. Henry White, technically brilliantly executed, but not agreeable: she expresses uncharmingly a very chill disapproval. Sargent could, of course, paint beauty, but he also conveys at times an implicit comment that must be sardonic; he could also capture shifting psychological nuances - Mrs. Charles Russell, lurking in a magical twilight behind a pillar. with a superb pictorial design.

transposes it with easy assurance daring echo of Las Menines.

into Edwardian terms—a whife

John Singer Sargent and the
duck suit for summer, unbut.

Edwardian Age. with excellent toned jacket sloping to right, catalogue by James Lomax and the pale line, where a hat has protected his forehead from the the new temporary exhibition sun, sloping to left, yet the area in the National Portrait whole an epitome of aristo. Gallery proper (ie, not in the cratic distinction.

Occasionally, when he was bored, you may catch his hand performing with an automatic slickness the office that Hudson's Flattery of his sitters is, at his him, but generally the astonishdrapery painters performed for best, achieved by equating them ing and fresh virtuosity of techwith a superb pictorial design. nique is everywhere apparent.

It is true that he does use in the swift watercolours no less ne tricks, most blatantly the where he could seize the fashion plate artist's one of moment on the wing. He was elongating his sitters' bodies- a master of the impression, yet

colour as you look. The poses, the Duchess of Portland is a though quite aware of the Imdream, out the is also at least pressionist and Neo-Impresten feet tall. On the other sionist work going on in France hand, elongation in the admir (he painted Monet), his artistic able Buljour reads as a psycho- ancestors in his essentially tonal logical truth inherent in the painting are rather Van Dyck, In the Earl of Hals and Manet, but above all Dalhousie, Sargent takes a pose Velasquez. The magically (leaning on a plinth, one arm shadowy Daughters of Edmund akimbo) that had been repeated de Boit that greets you as you con rar from Van Dyck on—approach the exhibition is a by Hudson, by Reynolds-and worthy salute to Velasquez, a

> Richard Ormond, inaugurates extension at Carlton House Terrace), a very successful adaptation of existing space and, uclike so many, managing to respect the qualities of the original architecture.

First shown at Leeds, the show is scheduled to transfer to Detroit.

#### Festival Hall

## Andrei Gavrilov by DOMINIC GILL

Five years ago, when he was came, without hesitation—Yes, minor Etude was only musical mly 19. Andrei Gavrilov won Mr. Gavrilov, just as smooth, —the big melody thrashed out irst prize at the Chaikovsky just as fast, and very much like a sympy Russian hit-tune. Plano Competition in Moscow. better Whether he was actually Gavrilov was in a more serious only 19. Andrei Gavrilov won first prize at the Chaikovsky Piano Competition in Moscow. From his records and concert appearances since, we know him to be a prodigious, if somewhat erratic talent. He is still very young: and we are all inclined to treat youthful high spirits with a mixture of envy and inrurmance of the complete set of respect; and on a more subjective level, startlingly wrong make up the first half of his all-Chopin recital on Sunday and fire; and on a more subjective level, startlingly wrong headed—for an F minor Feed and the instrument if he tried. all-Chopin recital on Sunday afternoon was for the most part so weird, and so careless, and at its worst so indescribably vulgar, that all the usual allowances for "youthful waywardness" were pushed to their limits, and beyond.

Gavrilov's recipe for the Etudes was in any case an uncomfortable one, and unlikely to succeed: play all as fast as pos-sible (and if possible, faster); at the fastest, keep the sustaining pedal firmly down; mix well with sugar-candy rubato-and shake up with a repertoire of emphases and quirks ranging from the maddening (but intriguing) to the plain

The manner was very hip. very casual, reinforced at climaxes with a lurch of the torso, a glamorous toss of the head. Did you ever hear an F minor Etude played so smooth and express-train speed almost and so fast?—Gavrilov seemed out of recognition. But the and so fast?—Gavrilov seemed to be saying. And the answer clumsiness of the last, grand C

articulating the triplets of the F minor Etude or just rolling them together was impossible to perceive: an impressionist wash of sound—over-pedalled Chopin's markings are precise and unambiguous in this reduced to a buzzing blur, without any beat between the opposing rhythms of left and right hands, is as far as can be imagined from what Chopin can possibly have intended.

Gavrilov seemed to be using or glitter in any of the registers. but unfailingly, even when stamped on hard, make a beautiful sound. All the more have kept scrupulously away from the pedal, and have taken every opportunity to sharpen the texture—did he really playing, the mush of notes he conjured from the B minor octave Etude? The D flat Etude clumsy, blurred by pedalling

frame of mind when he returned after the interval with the D flat Nocturne—just the piece for his pretty piano — and the B flat minor sonata. In the sonata's we can say confidently, for first movement there were fine things, much urgency and fire;

from the doppio movimento double-bar, instead of going right back to the Grave fourbar introduction — how many planists, without the slightest authority from the score, thus Only part of the blame can omit at a stroke that wonderful be put on the instrument, modulation (only at its second appearance recognised for what one of the softer-centred Steinit is) from D flat to B flat minor!
ways that have little brilliance He made a brief return, in He made a brief return, in the outer sections of the scherzo, to his Etude Express; but the piu lento middle section,

like the whole of the Funeral important then that he should March, was very grandly and sensitively unfolded, and gratefully unblurred. glimpse of the real planist behind the adolescent mask. The listen to, and like, while he was finale was splendid, a muted roll of distant thunder. For his first encore, Gavrilov started again octave Etude? The D flat Etude on the Etudes, the C sharp in sixths was even technically minor now of op. 10, and I retreated fost. It will be good to hear him again soon: but first he must calm down, sit, listen,

## Old Lyric in new guise

The Lyric Theatre Hammersmith reopens on October 18 back-stage facilities are comwith a new production of Shaw's You never can tell, directed by David Giles and starring Peter Egan, Paul Rogers, Sian Phillips and Frank Middlemass. Once inside the auditorium the new Lyric is identical to Frank Matcham's design of 1895 which was knocked down, despite Han Fever and The Wild Duck strong protests, in 1972. In fact as well as the Shaw, and there the theatre is incorporated inside a modern and much less attractive scheme.

brutalist exterior of the Lyric and the Victorian interior is development scheme is the striking although the contem- opportunity it has provided for porary facilities, in terms of an adjacent studio theatre which the Lyric is that it is within a bars, ease the transition. Every opens on October 24 with few hundred yards of the effort was made to build an Fenella' Fielding's cobord successful Riverside Studios exact replies of the early Lyric, theatre entertainment, Fencila which with its 537 seats on three and Friends. It is followed by council for substantial financial levels, offers an intimacy quite the London premiere of Land- aid. beyond the powers of modern marks, by Nick Darke. In the

mendably modern. Thomley who was at Edinburgh theatre, albeit a west London one, rather than a feed for the West End or a try out venue. The first six month season offers will be a British premiere of

Waiting for the Parade by the

theatrical design. However the main theatre there will be three. Sunday night celebrity recitals: The ortistic administrator Bill Princess Grace of Monaco among others; He and She, with sees the Lyric as a London Frank Muir and Dorothy Tutin; and The Story of the Lyric. featuring Paul will also speak the prologue on the first evening.

Although administered by a Trust, the Lyric is greatly helped by a subsidy of £320,000 from Hammersmith Council. cneme, and a pantomine. Aladdin, cost of £3.2m. The GLC has rutalist exterior of the Lyric one of the Lyric revenue will come from ticket sales. The only problem with which also looks to the local

ANTONY THORNCROFT

#### Glyndebourne

# La fedella premiata by Ronald CRICHTON

Sooner or later Glyndebostine was bound to dip into the big-bran-tub of Haydn's speras. White these were being redis-covered and tried out at other festivals. Clyndebourne was busy in other fields. B. Haydn had to wait—though fie is one of the greatest composers be of the greatest composers he was not a great musical dramatist like Monteverdi or a born opera man like Cavalli. But delay did Haydn no harm. The result has been a happy choice of work for Glyndebourne, a production carefully thought out, admirably prepared and executed and a first night on Sunday of a smoothness and bril-liance not always guaranteed even by hard work and generous

La fedelta preminta (1781) in settings by Hugh Casson But haydn is at his greatest in was written to open the new more Eszterháza than Cumae the extended ones like solo princely theatre at Eszterháza and with some references cantatas, where he can pour out built to replace one destroyed nearer to present time and tunes and endless instrumental by fire. It is a festive piece, place one of Sir Hugh's and harmonic wealth. The soloists are individually with overtones of the chase, where he can pour out time and tunes and endless instrumental by fire. It is a festive piece, place one of Sir Hugh's and harmonic wealth. The soloists are individually with overtones of the chase, where he can pour out time and tunes and endless instrumental built by fire. The soloists are individually gifted and a well matched team. with evertones of the chase, which Prince Nicolaus baroque palace at the end of a baroque palace at the eye loved nausic more). Since in curve of downland on the loyadebourne it seems so much borison. In front of the garden scapes are architectural fandaments. Glyndebourne it seems so sauch for some in front of the garden a princely divertissement, it is scapes are architectural fancian worth noting that the libretto grotto, and boats gliding on the continuous control of the garden worth noting that the libretto grotto, and boats gliding on canal or lake. Costumes are been set before, for example by Cimarosa whose version deserve as much credit as differently titled, was produced for his worth noting that the intretto by Glambattista Lorenzi was not written for Haydn but had heen set before for example by Cimarosa whose version, differently titled, was produced not in an artificial affstocrafic paradise in the Hungarian marshes but in hard-headed, noisy Naples

the plot are decorations on a young people dressed as central situation both simple shepherdesses and what not and comically faultful. The stene draped about the stone hunting is ancient Cumae. One of trophles at the front, mingling Diana's nymphs has lapsed from with the soloists and helping to virtue. The chaste Goddess of remove disguises in view of the virtue. The chaste Goddess of remove disguises in view of the hunting has decreed in her audience siggests an elaborate hunting has decreed in her audience siggests an elaborate wrath that each year a pair charade at an 18th-century brother Lindoro and faithful lovers shall be sacrihouse party—the sort of surpliced to a monster. Needless roundings in which Maria to say the curse has the opposite Theresa's daughter Marie effect; so the one intended—Antoinette might have learned fidelity and by inference rhastity to play at being a dairy-maid. Cosotti, who is developing into a sensitive useful light tenor. Their costumes are too similar—the principal-characters are on thought, helped very much, Their costumes are too similar—the triangle of the principal that the principal characters are on thought, helped very much, the principal characters are on the principal characters are pair t



John Cox stages the imbroglio
La fedeltà premiata (1781) in settings by Hugh Casson Robert Bryan does for his lighting. The general effect has an unostentations finish and

care rare in opera houses oisy Naples.

The complicated details of Much about the staging, with

Neither Haydn nor his libret-

tist could draw characters in

three dimensions. Not even

Mozart had done that yet (La

fedelits was written about the finta giardiniera), though he was soon to do so. But they a comic libretto of this type and depth of feeling with powerful musical invention to produce unexpected ambiguity. To take Success came in spite of a the most striking example in a score packed with marvellous if formance started (and ended)

late because some of the guila Hamari to the producer pretends to make audience were delayed by fire on the line—a forest fire, as the prowl, changing their prosecuted and ended to the producer pretends to make the p least the place was not served by say so.

British Rail

John Cox stages the imbroglin master for some time to come.

In fedelth preminta (1781) in settings by Hugh Casson But Haydn is at his greatest in

after herself in a naughty world garian mezzo from Munich. A with this production, the first considerable, musicianly artist entirely new opera presentation whose voice, heard not long ago he has conducted in this house, with ringing round La Scala in Rossini's Mose, adapts perfectly to the smaller house—only one or two nely snatches at the begin- Haydn is lithe and lively with ning of phrases disturbed the even flow. Sylvia Lindenstrand. a singing actress of clear-cut admirable sureness to the high style, made Amaranta a gorgeous, impossible but finally are not crudely underlined, but likable bird of paradise.

though the dressing-up element Sir Hugh's one error in this was certainly one way of department. The voices on the was certainly one way of department. The voices on the presenting the sequence of fantastic events, including an invasion of satyrs, bears, boar and other wild life.

In this the error in this department. The voices on the other hand, both agreeable, are micely different, though they might suit each other's role even better. From Richard Van Allan. as the deprayed, shifty and unctuous High Priest Melibeo (since his office protects him he can and does chase the ladies as much as anyone) and from Thomas Allen as the dithering. same time as Idomeneo but is absurd, randy traveller, Count nearer the slightly earlier La Perrucchetto, come two first rate comic performances. The tangle is resolved by Fileno offering reach two dimensions. Often in himself for sacrifice in place of La jedelta one sees what hap-pens when a great composer sets have finally emerged as the Celia and Perrucchetto, who have finally emerged as the doomed couple. At that point the slavering monster is changed to a vision of Diana, in the comely person of Eiddwen Harrhy, dis-

other hunting-pieces by Haydn from those years. There are one or two arias not in the Universal Edition score or the Philips recording. They didn't seem essential additions, but such The soloists are individually future revivals. Read the gifted and a well matched team. (Italian-English) libretto avail-Young Nerina, able to look able at Glyndebourne, but be warned that it is not entirely but a good and sensible girl at the same. As for the records, heart, is sung by the American better leave them till after-Kathleen Battle with a poise wards, for Haydn's music with and charm that never degenerate out the stage action can give a into pertness-but she must quite different impression. At her words. Sad Celia is a later stage (the recording is a Julia Hamari, another new- good one), they will give much comer to Glyndebourne, a Hun- pleasure.

Haitink takes his place with Busch and Gui as one of the big ones of Glyndebourne. depth as well as surface sparkle the darker moods married with spirits. Haydn's points of colour they tell. The London Philhar-

# LY CARNIVAL 7 16-29 JULY

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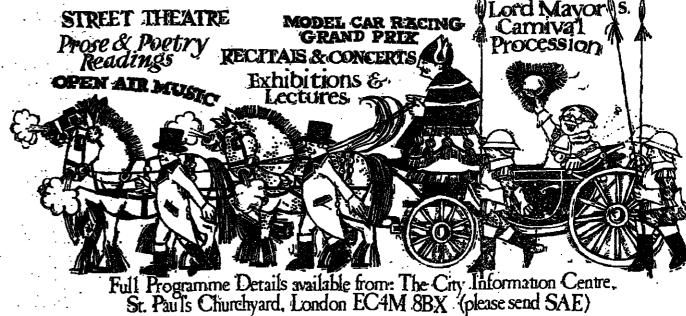
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# A battle on many fronts

that the U.S. will never allow oil imports to exceed the 1977 level of 8.5m barrels a day and that imports will be reduced to about 4m barrels a day by 1990. None can doubt the sincerity of the President's commitment or the force of his appeal to the American people, but for the rest of the world what matters are the practical questions—are the goals realistic, will the measures proposed by President Carter be sufficient to achieve them, is there the political will to carry them through? Some scepticism is inevitable when one recalls the fate of President Carter's earlier "declaration of war" on the energy crisis and of President Nixon's Project independence, proclaimed five

#### **Optimistic**

Amid the general criticism of American greed and President Carter's indecisiveness, the magnitude of the problem facing the U.S. is sometimes under-estimated. The starting point is the recent projection by the Energy Department that, even on reasonably optimistic forecasts of supplies of domestic oil, natural gas, coal and nuclear energy, oil imports are likely to rise from 8.5m barrels a day in 1977 to around 14m barrels by the late 1980's.

The scope for policy changes which will dramaticaly alter these projections is limited. President Carter is pinning some hope on ani ncrease in coal supplies, especially to the utilities, but the Energy Departprojection already a substantial growth əssumed in coal's contribution (from the equivalent of 7m to 12m barrels a day). Even if the proposed Mobilisation Board clears away some of the environmental obstacles which have held back investment in coal, it is hard to see much improvement on the Energy Department's figures within the ten-year timescale which President

The President's failure to mention nuclear power in his · address to the nation on Sunday night was disappointing, but he did say in Kansas City yester-- day that nuclear power must play an important role in ensurtime needed to plan and build nuclear power stations, so much the better, but here again the benefits of accelerated invest-

Catrer is using.

PRESIDENT Carter, in a long-awaited display of leadership stimulating domestic oil and and determination, has declared gas production through price deregulation: the proposed windfall profits tax should not be so punitive as to discourage nek exploration and development. But even if the incentives are adequate, the U.S. will be hard pressed to maintain oil and gas production at the pre-sent level.

Thus any programme to reduce U.S. dependence on imported oil mist has to involve unconventional sources of energy and, of course, conser-President Carter has proposed the creation of an Energy Security Corporation which will invest in alternative energy sources, including oil shale, gasohol from plants and coal liquefaction. This is a sensible decision which should have been taken some years ago, but the President may be optimistic in suggesting that 2.5m barrels of imported oil can be replaced by synthetic fuels as early as 1990.

#### Incentives

There are possibilities, too. in solar power, which the President hopes will provide 20 per cent of the country's energy by the year 2000. The most promising avenue seems to be not the large, high-technology projects which could create severe environmental problems, but the application of solar heating to new and existing buildings. The task for the Administration is to devise the incentives and organisation which will exploit this potential.

The same applies even more strongly to conservation, particularly the improvement of thermal efficiency in buildings. As a recent study by Harvard Business School researchers has pointed out, conservation has no rlear constituency in the way that coal, oil and nuclear do Increased conservation requires decentralised decisions by many thousands of businesses and households. To influence these decisions there will need to be a carefully designed mixture of realistic energy prices, incentives, subsidies, regulation and

Changing the pattern of America's energy consumption is not comparable to nutting a man on the moon. Although some of the managerial and ing America's energy future. If technical skills used in that this lukewarm endorsement programme will be needed, the organisationai problems are much more difficult. It is a battle on many fronts and no notential source of energy can be ignored. But it is the ment in nuclear energy are not behaviour of the individual likely to be seen until the energy consumer which will be

# A fresh start in Strasbourg

JULY 17, 1979, could turn out to be an important date in Euro- to convince the Commission, the pean history. Unfortunately, as Parliament's natural ally, than with all such pronouncements in the Council of Ministers. The recent years, one has to add the directly elected Parliament immediate qualification: "but could easily be of use to the immediate qualification: "but could easily be of use to the then again, it may not." With Commission by providing a today's opening of the first sesgenuine sounding-board of grass sion of the directly elected European Parliament in Stras- It could help to save the Combourg, the European Community mission from some of the politic is setting out on uncharted ally embarrassing, though waters. The impact that the Par- usually worthy, mistakes it has liament's new status will have made in the past.
on the course of European integration is unlikely to be known make headway against the for some time. The answer is in Council, given Freuch and the hands of the 410 newly- British determination to keep elected European Parliamentarians, many of whom, particularly in the case of the British which

#### Influence

of thought about how the European MPs (or MEPs) should set Next, it can tackle the Council bout their task. The first, which is probably the majority view, is expensive arrangement under that they should try to make the which Parliamentary meetings best use of the powers the Parbest use of the powers the Parbest use of the powers the Par-liament already has and seek Brussels, Luxembourg and greater influence over Com-munity decisions without meet in Brussels, and meet munity decisions without deliberately rocking the boat. The second is that they should go all out for greater power, without shrinking from a major the new Parliament have subconfrontation with national scribed.
Governments if that becomes D. J. unavoidable. In practice, they are unlikely to succeed with the

holding the latter in reserve. the Council of Ministers that it tion will be hoping that the is a different animal from its Parliament does not muff its indirectly elected predecessor, opportunity.

and the second of the second of the second

roots opinion in the Community.

The hardest part will be to the Parliament in its place. But there are a number of ways in the Parliament can members, have little or no politi-cal experience. quickly show that it means business. First of all, it can decide to meet more often than the effective three and a half There are at least two schools days a month that its predeces-Next, it can tackle the Council head on over the ludicrous and there, regardless of what Governments say about Treaty rules, to which they, but not

There are many other possiformer approach unless they bilities. The Parliament can make it quite clear they are develop its committee system and start holding public hear-The MEPs are in a good posi- ings on the lines of those contion to take the initiative if they ducted by the U.S. Congress. It. want to. The new European can assert its authority over Monetary System has, so far, the Community budget, even stood up to the strains on it, but under existing rules. And it national Governments are on the need not be inhibited by the whole short of fresh ideas about rule book from taking policy the further development of the initiatives, on any issues that Community—or the reform of it considers to be important existing policies, such as the The Parliament's direct election Common Agricultural Policy, has led to one of the most that are clearly going wrong, important potential changes in If the directly elected Parlia- the Community's institutional ment wants to make its mark, it balance since it was set up by must lose no time in convincing the Rome Treaty. Those who the Community's two other main want to see a new dynamism institutions, the Commission and injected into European integra-

# A confession, and a sermon, to Americans

#### ON THE PROBLEMS . . .

"It is clear that the true problems of our nation are much deeper . . . than gasoline lines or energy shortages, deeper even than inflation or recession . . . All the legislation in the world can't fix what's wrong with America."

" I want to talk to you . . . about a fundamental threat to American democracy . . . it is a crisis of confidence . . . that strikes at the very heart, soul and spirit of

our national will. We can see this crisis in the growing doubt about the meaning of our own lives and in the loss of a unity of purpose for our nation. The erosion of our confidence in the future is threatening to destroy the social and the political fabric of America."

"Washington DC has become an island. The gap between our citizens and our government has never "What you see too often in Washington . . . is a system of government that seems incapable of action ... a Congress twisted and pulled in every direction. by hundreds of well-financed and powerful special

#### ... AND THEIR SOLUTION

"We are at a turning point in our history ... energy will be the immediate test of our ability to write this nation. It can also be the standard around which we rally. On the battlefield of energy we can win for our nation a new confidence."

"We can manage the short-term shortages more effectively and we will. But there are no short-term solutions to our long-range problems. There is simply no way to avoid sacrifice."

\* "Just as the search for solutions to our energy shortages has led us to a new awareness of our



nation's deeper problems, so our willingness to work for those solutions in energy can strengthen us to attack those deeper problems.

# Carter: crusader at the cross-roads

BY JUREK MARTIN, U.S. Editor

THE US ENERGY MARKET EADS of State have different ways of working their wills on the public. CONSUMPTION 1978 10 average million barrels per day TOTAL: 78-151: COMPRELICAN (actilion belian) BYU's PETROLEUM 48-8: Richard Nixon Presidents. OIL employed public pieties and private espionage; Lyndon Johnon, until Vietnam undid him, **Production** twisted arms until they hurt; John Kennedy relied on charm and the inspiration of vigorous youth. But surely no President before Jimmy Carter and few, HYDROif any, major national leaders ELECTRICITY elsewhere in the world, have had such recourse to self-criticism, **Imports** almost to the point of self-figgellation, in order to set a Crude and Products WORLD PRODUCTION nation, and a Presidency, on a 1977 62-16 mb/d 55° new course. It is quite clear that no single peech, not even one as extraordinary as the one delivered by 0-5%

day night, can by itself salvage a faltering political career or instantly induce a new spirit of national ability to respond consciousness in a dramatically to calls for action nation long accustomed to profligacy. Such changes can be it, crass materialism. "We have wrought only by the consistent learned," he said from his application of policies over pulpit, "that piling up material long, tough months and years the sort of practical follow-through at which this President has been so defective over the last 30 months. The U.S. has country to put a man on the been introspective for too long now to be wakened from its But what Jimmy Carter did offer on Sunday night was a

fascinating mixture of the old The new Jimmy Carter lay and the new which could have essentially in the tone he adopted throughout his address. profound political, economic and social consequences. The Close students of the President old was the attempt to invoke once again the unique fires he kindled in 1976, when, as an though obscure southern governor and peanut farmer, he managed to persuade enough Amricans that their government ought to be no better than themselves, and that there should be a relationship of trust between Government and people—a direct line of communication, as it were. fallibility, his confession that he had become a mere manager not a leader, that he had become isolated from public sentiment by the institutionalised rigours of Washington, all were richly redolent of those early primaries three years ago.

Old, too, was his appeal to traditional American values ably would be ignored or and confidence—the known picked to pieces by a disen-

when he put the political estab-

lishment to the sword using the

Mr. Carter to the nation on Sun-

deep sleep overnight.

remarkable

same magic formula.

energy

which transcended as he put goods cannot fill the emptiness of lives which have no confidence or purpose." Much as John Kennedy inspired the moon in ten years, so Jimmy Carter, speaking directly to the living rooms of the nation and not to its political and other representatives, was endeavouring to elicit a similar response.

long thought that not a naturally distinguished orator, he is capable of impressive performances when deeply wrapped up in his subject; that was true of his first energy speech of April, 1977; of his moving address to the Israeli Knesset in March this year and again, palpably so, on Sunday night. For 11 remarkable days he David, conferring with the great and small, experts and outsiders, seeking more to find out what was wrong with the country than formulating narrow and particular solutions. He cancelled his original energy address set for July 5, simply because he concluded

Apparently drawing strength breath, by one unyielding group rom this unprecedented presion another." But that, as the from this unprecedented presidential experience - during President well knows, is Ameriwhich time cynical Washington can democracy as currently occasionally buzzed with rumours that he had taken leave of his senses—he came across with a new firmness: the sing-song Southern cadence, the complex sentences containing innumerable subordinate clauses, the almost deferential replaced manner—all 919W strong, emphatic and strident tones. He with even clenched and pounded his fists and the crisp, staccato manner of his delivery when he enumerated his six-point energy plan almost succeeded

either new or not in train Even already. hardened commentators Washington yesterday morning had to confess they were impressed. Indeed, it was the manner of Mr. Carter's presentation, rather than what he actually proposed, which was captivating the

in disguising the fact that he was proposing little-import

excepted—that was

chanted establishment, or both, the last vote, almost to the last practised.

NINCH FAR

ELECTRICH

Thus yesterday morning found the following: Conservatives, particularly Republican presidential contenders, were complaining that in ignoring the free market mechanism by not dismantling federal energy price controls immediately. Mr. Carter had made a fundamental mistake. Both supporters and opponents of nuclear power were declaring themselves deeply suspicious of his conspicuous omission of any reference to this power source. And environmentalists were pro-claiming themselves to be aghast that the proposed Energy example, sank just about as low, the reformed Jimmy Garter is Mobilisation Board will short in the public's opinion as Mr. worth a second chance circuit bureaucratic and legal Carter and recovered. And And he is doing this at a time processes and were promising to challenge such authority in the claiming themselves to be aghast that the proposed Energy challenge such authority in the

Leaders in New England, where the first presidential probably was never as bad as primaries will be held next year, the polling numbers suggested. all served to demonstrate that most from any imposition of imprivate institutions do not sharing the burden more necessarily work. Congress is equally. The oil industry inwithout doubt, as Mr. Carter mediately took exception to Mr. said, "twisted and pulled in Carter's renewed insistence that every direction by hundreds of Congress enact a tough windfall well-financed and powerful spe- profits tax: more generally, cial interests. . . with every there was criticism that Mr. extreme position defended to Carter did not address himself

in the throes of a recession.

The special interest litary is familiar and has been a persistent thorn in Mr. Carter's side. It is safe to say that con-gressional attitudes have been changed by the early summer queues at the petrol pumps: itis likely that the President will get the standby petrol rationing authority that Congress deuled him in the spring, plus some form of windfall profits tax and synthetic fuels legislation. But is also worth noting that he is seeking to arouse public support for his initiatives at a time when the petrol queues are disappearing, and when Americans have hegun again to drive less. The summer, as all politicians everywhere know, is not entirely different criteria in the best time to launch a crusade. Putting it crudely, special interest groups are quite capable of riding Mr. Carter's early punches and waiting for more favourable times to work their will-which is why, summer or no, the President may have to pound his energy message home relent-

#### Fear among advisers :

Moreover, all eyes will be on the public opinion polls. It has been Mr. Carter's low standing in public eyes that has enabled his opponents to work their will. with relative impunity so far. Yet other presidents, Nixon in. 1971 and Truman in 1947, for quite well liked—If not thought to be especially competent—his position, at least until recently,

nation yesterday. Yet the reachave been quick to point out But the seemingly endless tions from precisely those parthat this region is more heavily slide of the last few weeks has tisan interest groups against dependent on imported oil than finally induced genuine fear most propitious moment to start which the President inveighed an other and thus will suffer among his advisers, who had anew. But having publicly among his advisers, who had anew. But having publicly previously consoled themselves cleansed his soul in his Sunday direct appeals to the people port quotas unless the govern- that a recovery would be cer-over the heads of political and ment comes up with a way of tain once Mr. Carter came to be that a recovery would be cermatched up in the public mind leadership, as traditionally and against the alternatives—the classically understood. Given Reagans, Connallys and Browns the remarkable single-mindedof the political landscape, all ness of purpose he displayed in of whom appear to possess noteable drawbacks to electoral suc- place, it would probably be pre-

specifically to the parlous state formed patliatives offered by of the economy, now apparently the potential opposition were becoming attractive in comparison with a President whose ability to direct the Government was increasingly doubted.

Nowhere is the leadership crisis more starkly demon-strated than in the hypothetical contest between Mr. Carter and Senator Edward Kennedy. It is probably accurate to say that Mr. Kennedy, ten years to this week after the incident at Chappaquidlek, does not want to run for President next year. But being a Kennedy and a Democrat, he has to think in national terms, which is precisely how he is perceived by the electorate. The Senator's overwhelming lead over Mr. Carter in the polls stems from the fact that the public applies judging the two men: even those who, by any political logic ought to prefer Mr. Carter are drawn to Mr. Kennedy because of the aura of leadership which surrounds him.

It is precisely this Droit de seigneur that Mr. Carter is now seeking to recapture. - It will not be an easy task: The President is no longer the fresh, unscarred face who, running against the Establishment was able to tap a source of national discontent. He now has nearly three years of bitter and publicised difficulties in government to overcome. In seeking to re-ignite the spirit of 1976 by offering the nation the same public partnership in the war on energy, he is asking not merely for acceptance of his past errors and pmissions but for a national judgment that

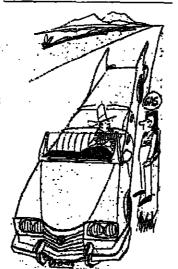
when inflation is still raging unabated, when the economy is slithering into recession and when unemployment will soon be on the rise again—and when the country is in a disgruntled, But the seemingly endless mean-spirited and iconoclastic mond. It certainly is not the night confessional, the President is going to try to assert becoming President in the first. cess. It had begun to appear mature, at this stage, to lay too that even the simplistic or ill-many bets against his success.

# MEN AND MATTERS

#### Bed—& breakfast for Britain

Leaving its political volatility to one side, among Portugal's other problems are its dependence on textile exports to the UK, inviting ever tighter quota restraints, and appalling agri-cultural performance: 50 per cent of all foodstuffs have to be imported. As if that were not enough, industry is grossly overmanned as a result of labour laws which make it extremely difficult to sack any

A partial solution to some of these problems has just been produced by Coelima, one of the leading household textile exporters. The group employs 2,500 people, 500 more than it needs. And it operates in an area north east of Oporto where many, including full-time employees, farm smallholdings in a desultory sort of way. Coelima's bright idea is to diversify into producing some of the food, as well as the table. cloths, for the British dining table. The venture would in volve pig farming, the animals being brought up to the mark



"No. I didn't watch Carterswitched off my set to save

holdings. Surplus labour from the textile plant would process the meat.

that another technical exposi-

tion would no longer serve the

needs of the nation and prob-

If the scheme gets off the ground, and Portuguese pork starts to find its way to Britain, it may come as unwelcome news to the British pigmeat industry (which is in a permanent state of protest about the Dutch and the Danes) to learn that this unlikely competitor reckons to have accounted for 60 per cent of UK bed linen imports Skin game last year.

#### Flagging attention

plained, and officials promised it would be put right in time for the first meeting of the newly-elected assembly.

English officials said they had not spotted anything wrong.

#### Tank tactic

asks auxiously about a means of pleted saving fuel which is allegedly banana fashionable in California: more in Someone has told me that a friend. way to save gas is to put a brick in your tank-that way there is less room for gas and you wouldn't have to buy so

There is one matter troubling the reader, who is identified only by the initials R.S. "Could you tell me how to get a brick in there? The spout is too narrow for ordinary bricks. Is it DK to break it up and put in the pieces?" There is no suggestion that the questions are anything but deadly serious; perhaps they are based on the venerable notion that you can a brick in your hot water tank Another marrinal note on the

presidential programme con-cerns the figure of \$142bn, ment saying that the opening of which was unveiled yesterday the Tokyo Disneyland—which in Kansas as the projected cost of the ten-year U.S. energy plan. It sounded familiar to Arab delayed: "Stories stating that banking experts in the City: the project has been set back to \$142bn was precisely the figure named for its five-year plan by Saudi Arabia in 1974, to soak up the sudden riches produced by the surge in oil prices.

The item handed to economist Clive Bemrose by a Battersea ostman seemed at first sight like a laconic forewell gift from United Brands, the trans-It had, of course to be the Rev. national group which owns Ian Paisley who noticed yester Fystes in Britain. The postman day that the Union Jack hang was delivering a banana to ing outside the European Par-Bemrose's home in Battersea, liament in Strasbourg was London—an utwrapped banana, upside down. Paisley combut bearing a duly franked ninepenny stamp, and with the address engraved on the skin.

Bemrose has been working at the Economist Intelligence Unit on a study of banana distribution and pricing in Europe for United Brands, which is still smarting from the fine imposed on it last year by the European Court for "abusing its domi-President Carter's energy nant position" in various spectacular" has one omistruopean countries. (The fine sion—he forgot the brick. A was 800,000 Ecus, around letter in the Washington Star 5500,000). The study was comwas 800,000 Ecus, around £500,000). The study was completed last month but the banana has turned out to be no more than a joke by a girl-

> The Post Office, admits it was perplexed to find this normally forbidden fruit in a post box. It decided on a public relations gesture, by making an unusually high-speed delivery, then telephoning the nearest local paper.

#### Showa goes on

Tokyo is such an anonymous, Americanised authill of a city that it is oddly reassuring to learn there is enough distinctively Japanese culture left for save electricity bills by putting a minor collision with that of the U.S. Walt Disney Produc-

some apparently feared was to be delayed-is not in fact to be 1988 stem from an error in translation from the Japanese calendar," I read on a garish piece of stationery headed

"The calendar used the Year of the Emperor Showa. Showa 58 was wrongly interpreted as 1988." Fun-lovers in Tokyo will be relieved to hear they have only four more years to wait

#### Banking on burros

While North America gets to grips with the idea of a war economy, oil-less countries further south have been attempting to adapt to this notion ever since OPEC announced the latest price increases. In Brazil, these added at least \$2.5bn to the bill for imported oil-at present running at 1m barrels a

Whether "war economy" turns out to mean fuel rationing is still unclear. And while the wealthy emulate California by installing private petrol stores, those further down the social scale are taking precautions as well. The demand for donkeys has

taken off. So has the price. Bra zilian entrepreneurs are no slouches at mastering the laws of supply and demand. Not long ago a burro could be had for £50—today's revalued workhorse starts at £100. The more alarmist are even predicting that donkey breeders are capitalists of the future—along with growers of sugar cane. cassava, and eucalyptus, all of which can be distilled into fuel for car engines.

#### All guzzled up

Sign outside a filling station/ transport cale in Dover: "Pardon, hors Derv."

Observer

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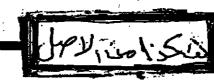
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# FINANCIAL TIMES SURVEY

Tuesday July 17 1979



# Dutch Capital Market

The impact of Government measures to ease the uncertainties of the economic situation in the Netherlands has been felt throughout the Dutch money and capital markets, the foreign exchanges, banking and insurance sectors. Meanwhile, Government plans to improve Dutch industry's competitiveness abroad, reduce inflation and hold down unemployment, have been particularly hindered by this year's series of oil price increases.

THE DUTCH capital markets casting agency, the Central have been evershadowed in the Planning Office, will present private sector of the economy has encountered strong opposition. The programme, known as Biueprint 81" prevoked a crisis in Parliament, while the unions called one of the largest demonstrations in recent years to express their dissatisfaction.

The already difficult economic situation in the Netherlands has not been made any easier by the series of oil price rises announced so far this year. The most recent OPEC increase is expected to add 1 per cent to the inflation rate and put a further 15,000 people out of

#### Curbs

While industrial activity continues at subdued levels the high levels of private spending have led to curbs on consumer credits. Limits on bank lending prompted by the mid-1970s boom in mortgage lending and house prices is still in force after three years.

On the legislative front the central bank's sway over banks operating in the Netherlands has been extended under the long-awaited law on the super-vision of the credit system, also face tougher controls.

past year by the Government's new data on the prospects for sizeable budget deficit and by the economy when the 1980 its attempts to curb public budget estimates are presented spending. The Government's to Parliament on September 18. red with the tourist balance casts were for a slight increase ing growth of the Government through Parliament but only standing in the man quarter or casts were for a slight increase ing growth of the Government through Parliament but only standing in the man quarter or again this year to between 4 and borrowing requirement and the after it threatened rebel back again this year to between 4 and borrowing requirement and the after it threatened rebel back of around F1 4bn this year.

The continuous programme through Parliament but only standing in the man quarter or again this year to between 4 and borrowing requirement and the after it threatened rebel back of around F1 4bn this year.

The continuous programme through Parliament but only standing in the man quarter or again this year to between 4 and borrowing requirement and the after it threatened rebel back borrowing spending made by the Planning Office in of around F1 4bn this year.

The continuous programme through Parliament but only standing in the man quarter or again this year to between 4 and borrowing requirement and the after it threatened rebel back bench MPs that the Government but only standing in the man quarter or again this year to between 4 and borrowing requirement and the after it threatened rebel back bench MPs that the Government but only standing in the man quarter or again this year to between 4 and borrowing requirement and the after it threatened rebel back bench MPs that the Government but only standing in the man quarter or again this year to between 4 and borrowing requirement and the after it threatened rebel back bench MPs that the Government but only standing in the man quarter or again this year to between 4 and borrowing requirement and the after it threatened rebel back bench MPs that the Government but only standing in the man quarter or again this year to be a supplier to the continuous programme are also be overtaken by the rise in OPEC oil prices.

The Planning Office in its March review described the Dutch economy as very vulner-This views was echoed by Dr. Jelle Zijlstra, President of the central bank, in his annual report presented in May. The Dutch economy is not in a strong enough position to withstand external storms, he warned.

Gross National Product is expected to rise at a slightly quicker rate this year by 2.5 per cent compared with 2 per cent in 1978. Exports will rise 6 per cent in volume, double the rate of increase last year, while imports will rise more slowly, by 4 per cent compared with 5.5 per cent. The most recent figures showed that the Netherlands had halved its trade deficit to F1 550m (\$275m) in the first four months of the year compared with the corresponding period in 1978:

The Planning Office expects the balance of payments deficit on the current account to im-prove from R 2.5m (\$1.25bn) last year to Fl 1.5bn this. Some has been extended under the long awaited law on the supervision of the credit system, while the insurance companies also face tougher controls.

The chief Government fore— last year to FI 1500 this Some economists, however expect last year to FI 500 this Some economists. However expect last year to FI 500 this Some economists. However expect last year to FI 500 this Some economists. However expect last year to FI 500 this Some economists. However expect last year to FI 500 this Some economists. However expect last year to FI 500 this Some economists. However expect last year to FI 1500 this Some economists. However expect last year to FI 1500 this Some economists. However expect last year to FI 1500 this Some economists. However expect last years deficit to be equalled in 1979 following the latest oil price rises. The first quarter of the year's deficit to be equalled in 1979 following the latest oil price rises. The first quarter of the year's deficit to be equalled in 1979 following the latest oil price rises. The first quarter of the year's deficit to be equalled in 1979 following the latest oil price rises. The first quarter of the year's deficit to be equalled in 1979 following the latest oil price rises.

of F1 7.5bn recorded in 1976. While the visible exports position is improving the invisibles

Inflation was more than balved in two years to 4 per cent in 1978 but the initial fore-

it is a far cry from the surplus adjusted number of people out incomes — public authority increases. These prompted a extension applies until the end tent management, the Central of F1 7.5bm recorded in 1976. of work was nearly 215,000. workers and those receiving day of protest marches and work of this year. Lending which is Bank may instal its own social security benefits. unions have been vocal in their

workers and those receiving day of protest marches and work of this year. Lending which is Bank may instal its own

stoppages organised by the trade unions in June. The Cabinet pushed these proposals

standing in the final quarter of arrange support operations for of 9 per cent. These curbs have succeeded in limiting monetary expansion over the past 24 years and have also helped to lower

ties to impose limits. growth in the outstanding credit debt will be limited to 15 per cent in the year to April 1 following an increase of 27 in June. per cent in the preceding 12 months. Purchases imported cars and home electronics equipment, and spending on foreign holidays have been blamed for part of the balance of payments deficit. The banks and finance houses, however, blame the aggressive marketing lactics of the State-owned Post

of the consumer boom. The regulatory authorities powers in other areas, with implementation in January of the the credit system after eight delay this return.
years of preparation. The Dr. Zijlstra h years of preparation. powers of the central bank and the Finance Ministry are extended, while safeguards to the public have been improved.

Office Savings Bank for some

rowing may only rise by 8 per itself in difficulties without cent on the average amount out-informing the public and may managers in a bank which finds an institution in trouble. Monetary controls have also been extended to the "near-

#### Supervision

The recent sharp growth in It is now the turn of the inthe volume of consumer credit surance companies to come has also prompted the authoriunder tighter supervision. A draft Bill toughening up the conditions imposed on insurers and setting higher solvency margins was sent to Parliament

ments has been felt in the money and capital markets, the foreign exchanges, the stock exchange and throughout the banking and insurance sectors. The State has been a regular borrower on the money and bond markets. The credit curbs have increased the amount of long-term bank borrowing, but industry — perhaps fortunately - has not returned in force to have been extending their the markets. Bankers and economists are perturbed that the disparity between inflation legislation on the supervision of and interest rate levels will

Dr. Zijlstra has repeatedly warned of the uncertainties facing the economy but has also stressed that the Netherlands can solve these problems if the A licensing system has been right moves are made. The Sepintroduced requiring banks to tember budget estimates will have minimum levels of assets show how the Government has

# Plan to reduce uncertainties

By Charles Batchelor

have shown considerable restraint in their demands for increases in basic wages in recent years, employers complain that the automatic indexation of wages to prices and the concessions won in the areas of early retirement and extra holidays still amount to a substantial increase in wage costs. The Federation of Dutch Industry, the major employers' organisation, estimates that instead of falling further this year the rate of increase will be the same as in 1978—around 7.25 per cent.

costs has been unemployment. It is expected to average 210,000 this year, 4.000 more than in equal the West German level of inflation, securing the guilder D-mark link and improving the competitive position of exporters.
The Government's "Blueprint

81 " has dominated the economic debate in recent months. aims to reduce the growth in: and make extra spending cuts. public spending in the three This is expected to bring in Fl 10bn (\$5bn). Spending is now expected to rise to Fl 200bn —an acceptable level in the instead of Fl 210bn from the short term but still well above 1978 level of Fl 160bn. The the longer term target of 4.5 objective is to improve Dutch per cent. The corollary of high wage hold down unemployment,

with considerable resistance service workers' salaries, and bank lending by the central from the people expected to limit the compensation paid to bank in 1977 have been con-1978. In June the seasonally accept a slower growth of their higher wage earners for price tinued and the latest nine-month and to show they have a compe- responded to this challenge.

Although the Dutch unions account the latest oil price rises, economy have forced revisions would fall unless they comof the original plans.

Signs that the Government deficit would reach 6.5 per cent of national income forced the Finance Minister, Mr. Frans Andriessen, to announce emergency measures last month to speed up the collection of taxes years to 1981 by 20 per cent or FI 1.3bn and reduce the deficit to 6 per cent of national income -an acceptable level in the

competitiveness. This was followed by another abroad, reduce inflation and package of measures, effective hold down unemployment from July 1, to slow the growth These proposals have met of welfare payments and public

Emphasising the stretched state of state financing, a fouryear-old agreement allowing the Government to borrow extra funds from the central bank to meet temporary cash shortages was invoked for the first time in May. Though funds have not yet been taken up under this arrangement the way is clear for the Government to do so if the Treasury account at the central bank moves into deficit. The Government may borrow up io Fi 1bn at any one time, although the average amount must not exceed Fl 335m in the

promised.

period to February. The limits first imposed on

# The commodity-trade does not exist. There are only traders in commodities.

# We draw our conclusions.

The commodity-trade represents the sum of all individual trading-firms. All of whom have their individual problems and needs which ask for individual solutions.

Has the banking world the specialists who provide these solutions? And who react quickly? Not a good question, it seems to us. Because "the" banking world does not exist. There are only individual banks, some of whom take the time and have the talent available to advise their clients

in a personal and tangible way. In other words, without thinking in abstractions such as "the" commodity-trade, "the" industrial world or "the" private investor.



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Branches: 14.

# Good profits for the banks.

Dutch economy. Boxed in by official curbs and an increasingly sluggish trading background, loan demand is starting to tail off.' But banking margins have widened a trifle this year, and the rapid expansion of the past five years has allowed the sector to build up plenty of fat.
In 1978 lending by the commercial banks to the private

sector rose by 22 per cent, according to central bank statistics. Two of the three largest commercial banks manlargest commercial banks man-aged to outstrip the average, with Nederlandsche Midden-standsbank lifting advances by 28 per cent and Amsterdam-Rotterdam Bank achieving 24 per cent growth. Algemene Nederland Bank was held back by a proportionately heavier foreign loan book. Even so its advances rose by 20 per cent. The banks continued to ex-

perience high demand for mortgages and consumer credit generally as well as short-term commercial loans. On average, banking margins may have eased by 1 per cent to around 3 per cent. But the squeeze was not enough to stop profits from continuing to soar, and efter-tax earnings of the big three commercial banks rose on race hy more than a fifth. ABN and Amro achieved profits growth of 15 per cent

and 19 per cent respectively while with Fl 126m at the net level NMB managed to clock up an increase of 28 per cent. The absolute figures at ABN were Fl 269m and at Amro Fl 253m.

This year the constraints of a weakening economy are going number of state and semi-state

THE BANKS look like emerging bank lending cannot hope to local authority financing, and from 1979 in far better shape match the growth of recent the Post Office Savings Bank than most other sectors of the years. The Government has and Post Office Giro also have tightened its grip on credit ex- sizeable operations. In terms pansion, and competition for of absolute profits, the largest business among the banks is bank in Holland is the agriculstarting to become noticeably tural co-operative Centrale, keener.

At the same time recent moves among the banks to improve their solvency ratios have resulted in — among other things—a rash of rights issues, so the industry's actions so the industry's earnings growth in 1979 is going to look even less impressive where it matters most, at the per share

#### | Isofiii

But the banking community is far from despondent. There is far from despondent. There have been useful returns this year in a number of ancillary areas—notably currency dealing—and banking margins over the first six months were showing a slightly more healthy average the for the country half of than for the opening half of 1978. The consensus view seems to be for a rise in bank lending this year of between 10 per cent and 15 per cent and tax profits of perhaps a tenth for the major stock market listed banks.

יייין איייייי lit. 40 per cent of the commercial banking market, Holland's three mein commercial banks dominate the industry. They present combined balance sheet totals of well over Fl 100bn. But Dutch banking is more diffuse than it might appear to

the casual onlooker. There are, for instance, any lank, operating in areas like

Rabobank's earnings growth last year only just crept into double figures, with a gain of 12 per cent at the net level. But the bank managed to expand its assets base at a page that would not have embarrassed the more aggressive commercial banks. Its balance sheet total at the end of 1978 was a full 21 per-cent larger at FI 74.2bn. Tra-ditionally linked to the market for farm finance and household accounts, Rabobank today is clearly bent on becoming an international banking operation.

In terms of international thrust ABN is probably file most active among the banks. Something like 40 per cent of its earnings arise outside Holland, although the proportion of non-Dutch assets is lower. At the end of 1972 ABN's foreign the end of 1978 ABN's foreign assets base was around 30 per cent of the group total.

At the bank's annual Press conference in Amsterdam ear-lier this year ABN chairman Andre Batenburg underlined the competitive pressures building up within Holland as he unveiled ambitious plans to expand ABN's branch network in Europe and North America.

In West Germany ABN was looking around for opportuni-ties. In Canada the bank hoped to expand the number of offices from two to five, while once approval is received for the purchase of the Lassalle purchase of the Lassalle National Bank of Chicago, conTHE BIG FOUR BANKS

	Balance sheet total Fl bu	Per cent increase	Net profits Per cent Flm increase
ABN	76.2	20 22	270 13 252 19
AMRO.	72.6 33.1	22 21	126 <b>28</b> 273 12
RABO	74.3		

Starting next year with an differ in Madrid, the bank has also received permission to open five branches in Spain. The Middle and Far East also figured prominently in ABN's eign empansion programme with the bank clearly intent on matching the growth of its foreign earnings with a similar build up in overseas assets.

One Canadian bank is in the process of pulling out, but there are still something like 30 foreign-owned banks operating in Holland, mostly in Amsterdam, The most recent arrival dam. The most recent arrival is the Banco de Viscaya from

Dutch banks are currently going through a fairly painful period of adjustment to Parliamentary revision of the credit supervision regulations. After wight warms of preparation the eight years of preparation the

sideration would be given to yet operations, including solvenes in the U.S. Dr. and liquidity levels, has been formally extended to cover the formally extended to cover the have assets of FI 0.5m, all banking institutions have to be licensed. They liste to publish audited accounts and provide the authorities with some reference to the legal and business qualifications of their manage

At the same time the control bank has taken on broad powers to enforce its rulings. It may put its own menagers into a bank without informing the public, or it may put in trustees in order to minimise the impact of any banking failure on potential creditors. There is a broad plan to pay creditors by to F1.25,000 each in the event of a

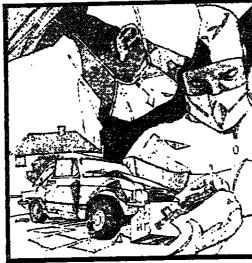
banking failure. The central bank will also extend its monetary controls to the so-called "near-banks" which borrow for periods of up to two Government announced in years. This regulation will cover January wide-ranging new institutions which attract funds powers to increase public safe of hetween Fl 10m and Fl 30m. guards and tighten the super with individual limits to be risory arms of the central bank decided by the central bank and the Ministry of Finance.

The supervision of banking

# ENNIA PROFITS FROM SUSTAINED PERFORMANCE, INTERNATIONALLY



Life Assurance



General Insurance



Non-Insurance Activities

#### Summary ...

As we forecast, our financial results in 1978 confirm the forecasts we made last year. Both profits and gross receipts went up. gross receipts by 8% from dfl. 1,849 million to almost dfl. 2,000 million;

profits after tax by 29% from dfl. 42.9 million to dfl. 55.5 million. Overseas interests showed reasonable growth and now account for 23% of all receipts.

These increases are largely attributable to a recovery in our general insurance business. We expect the same conditions during 1979, and our receipts and profits should rise in keeping with them. This

should enable us to maintain both a healthy level of growth, and levels of profits per ordinary share, which rose by 8.4% to dfl.25.96 in 1978.

#### Life Assurance

The results in this sector continue to reflect the developments we have made in the policies for both company pension fund schemes and individual life policies. Although gross receipts fell by 2% to dfl. 1,099 million as a result of nonrecurring premium movements in 1977,

profit after bonuses and dividends to policyholders rose by 6% to dfl. 58.5 million, and we expect this trend to continue through the coming years.

• •					
Annual Results 1974-1978 (in dfl. million)	1978	1977	1976	1975	1974
Gross premium life assurance Gross premium general insurance	651.5 609.5 651.6	716.3 505.7 565.4	607.8 414.6 451.9	743.5 380.7 356.0	509.8 251.4 282.4
Other income Gross receipts unconsolidated company Gross receipts	76.8 1989.4	62.3 1849.7	46.8 1524.1	1480.2	1043.6
Per Ordinary share dfl. 20.00 Shareholders funds	dfl. 285.31 25.96	dfl. 272.20 23.95	dfl. 241.09 20.71	dfl. 246.39 18.45	dfl. 208.16 17.61
Net profit Dividend	8.00	7.50	6.50	5.75	5,32

# Churchillplein 1, The Hague, The Netherlands.

Balanced growth, internationally

Tix The Company Secretary, Ennia Insurance Co. (UK) Ltd., 130 Fenchurch Street, London ECS. Telephone: 01-488 3111 Please send me a copy of the 1978 Annual Report.

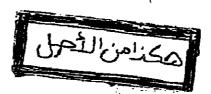
# General Insurance

Essential as it is to the fabric of our society, general insurance represents a high risk area for insurance companies. Although the results in this sector represent a

substantial recovery due mainly to the amendment of conditions set in motion in the Netherlands last year they cannot be said to be entirely satisfactory. However premium levels did improve-1977's loss of dfl: 14.1 million was converted into a profit of 1.1 million, and gross receipts rose by 21% to dfl. 719 million.

#### Non-Insurance Activities

Ennia's programme of logical diversification into such areas as financing consumer credit and housing, property investment and development, and holiday sites, has proved itself of considerable benefit. Gross receipts rose by 33% to dfl. 171 million and profits before tax by dfl. 0.1 million to dfl. 8.3 million, and we look forward to further growth next year.



# and in insurance

a lucky star," the headline of a major Dutch bank's stock market review of the Dutch insur-ance industry read at the end of last year. The bank in quesket review of the Dutch insurance industry read at the end life office of Prudential, the of last year. The bank in question, Amro, went on to expression, Amro, went on to expression, a good deal of confidence in this sector, partly because the large Putch groups had known timely reported successful growth. Dutch groups had been timely reported successful growth in adapting their policies, put- in 1978. Total premium income ting more emphasis on interna- has gone up by at least 30 per tionalisation and diversification to secure continuity for the

Since then the annual reports of the six largest insurance groups — Nationale Nederlanden, Amev. Ennia, Delta-Lloyd, den. Amer, Ennia, Dena-Lloyd, Amfas, Ago and Stad Rotterdam —have shown 1978 to have been another good year, in which increases in earnings of 20-30 per cent were chalked up. Most companies have forecast "sub-stantial" profit increases for the current year, and recent quarterly statements indicate that business is developing in line with expectation.

The annual reports also showed that accident insurance, a distinctive weak point in limits.

a distinctly weak point in Dutch insurance over the past few years, has turned in strongly improved results. This development is generally attributed to the more flexible attitude of the Government towards premium in-creases and to the improved discipline on the market by the

Now that the hoped-for price rise at the Amsterdam Stock Exchange has not got off the ground as a result of rising interest rates, the uncertain energy picture and the generally "subdued" domestic economic climate, shareholders interest; has started to focus once again on the financial sector—banking and insurance— NMB, another Dutch bank, has noted in its stock market review.

As a result of the increased

tional and diversified activities, the "quality" of earnings in the Dutch insurance sector has been increasing steadily and the process of integration, concentration and far reaching automation is beginning to bear fruit.
Other factors that contributed to the development of business

ance disasters.

The threat of far-reaching Nationale, and the company profit sharing schemes being is not hesitant to admit it, has forced on Dutch business by the clearly outgrown the Dutch trades unitons, runiours of a market, where it has built up a possible pationalisation of parts, where it has built up a forced on putting outsides by trades unitions, rumours of a market, where it has built up a possible nationalisation of parts share of 26 per cent of life business and over 10 per cent of the insurance sector and the threat of a possible new compulsory peasion stheme have all subsided with the arrival of the Centre-Right Government. On the other hand, as Annias pointed out in its report, the state of the national economy continues to give rise for concern and "fiscal uncertainty" over the state of fiscal uncertainty, over the state of fiscal uncertainty, over the state of the national economy continues to give rise for concern we are certainly not looking for new acquisitions here. The massible measures in future, particularly as tegands tax deductions. This fiscal uncertainty as tegands tax deductions. Nationale's management board secretary.

CONTINUED ON NEXT FAGE

inflation and taxation.
The past year has seen the opening in the Netherlands of a

cent, and the exceeded the F1 3bn level in February this year. Both companies' equity has built up a reputation as a very active

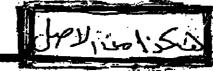
market force.
Mr. G. J. Swalef, the E. and L. director explaining why his parent company had selected the Netherlands as the spring board for its Common Market activities, mentions three factors: liberal laws in the assurance field, the insurance minded population and the distribution network of high quality inde-pendent insurance consultants.

#### Stability

Whereas other sectors of Dutch industry have seen some dramatic mergers in the past year—in the building sector Volker joined forces with Stevin and in publishing NDU teamed up with Elsevier—the concentration movement has again by-passed the financial sector. After the wave of mergers in the insurance sector in the 1960s seven large groups have emerged which have well over 60 per cent of the market. Of these, Nationale, Amev, Ennis, Amras and Stad Rotterdam are quoted on the Amsterdam Stock: Exchange. The latter, by far the smallest of the listed companies, has deliberately confined its activities to the description are the description of the description are the description a ties to the domestic market.
The dominant news from the

takeover scene has come from Nationale Nederland, by far the largest insurance group in the Netherlands, and the acquisition was made in the U.S., still a holy land for Dutch companies of all sorts. Nationale was able to announce last month that its bid for a sizeable American life company—Life Insurance Company of Georgia (LOG) in last year were the much reduced Atlanta had succeeded. The rate of inflation, lower wage \$60 a share takeover involved costs, a fairly high level of a total bid of £1 700m and meant interest rates, the earnings conthat Nationale was preferred tributions of new foreign acquito other interested, and sitions and, bar the severe American, insurance groups winter, the absence of any insur- which had also been courting

CONTINUED ON NEXT PAGE





The renewed weakness of the dollar is being balanced, in part, by an upsurge in demand for the Deutsche Mark, with the result that the guilder is in danger of being forced out through the floor of the EMS. Above: part of the foreign exchange dealing room at Amro Bank, at Rembrandt Park, Amsterdam

# Insurance

CONTINUED FROM PREVIOUS PAGE

Among other reasons for the diversify as well as to inter- not expect that companies big expansion of activities in nationalise their activities. the U.S. are cited the obvious Diversifications were generally good growth prospects, par intended to be compatible with ticularly in the south-east, the existing activities, to be able to country's liberal attitude benefit fully from the available towards foreign acquisitions know-how. Consequently the and, inevitably the relatively bigger groups have become inexpensive dellar. Comments involved in mortgage lending. Mr. van de Meulen: "We are financing, project management certainly, in the market for and development and financial certainly in the market for and development, and financial further growth in Europe, but and administrative services, for varying reasons the This arm of activity is still possibilities are rather limited limited in size, but the com-

possibilities are rather limited limited in size, but the comthere."

Just how important foreign it up in the coming years.

Just how important foreign it up in the coming years.

Among the mage unusual diversifications has been Amey's acquisition of the Schapp en Citroen jewellery retails companies total turnover of pany; which as it happens has cent was generated autside the success hiped for the great Netherlands. For Amey the success hiped for the great share was about 24 per cent on a total turnover of Fl 2 ibn and for Ennia 32 per cent on a which has resulted in the 50-50 turnover of nearly Fl 2bn. turnover of nearly Fl 2bn.

#### **Prospects**

domestic insurance activities in its overall turnover was bound to decrease even further in the nitted to Parliament a draft coming year, but was careful Bill in which tighter control of not to state what it thought the non-life insurance companies not to state what it induging the industriance companies ideal balance would have to be operating in the Netherlands is Other Dutch insurers have groupsed. At the same time the pressed themselves in similar need for improvements in public information provided by the insurance companies and their intermediaries is being considered. The country has been forced to modify its 15-year-old laws controlling the non-life insurance industry by an EEC director, but the opportunity has also been taken to revise control.

Though their increased foreign commitments have increased the Dutch groups villations, the improvement in the exchange rates of sterling and the dollar has certainly had a favourable impact on business ideal balance would have to be

results last year.

the Dutch companies to in the Netherlands. But he did

which has resulted in the 50-50 partnership. Combined European Retailers BV, and studies aimed at buying new retail chains have been going on for some time, though no decisions

Meanwhile the Ministers of Figure and Justice have suboperating in the Netherlands is proposed. At the same time the

favourable impact on business body—has meanwhile stated that the enactment of the EEC Gradually deteriorating guidelines and in particular the growth prospects in the higher solvency margin now domestic insurance market and demanded, was likely to lead to the growing awareness of the a number of mergers among need to spread risks have forced accident insurance companies

# N.V. EXPORT-FINANCIERING-**MAATSCHAPPIJ**

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# Currency movements pose problems

THE PRESSURES that built up Europe had no choice but to last year for the Dutch capital keep in step.

Market have continued into Recently, of course, the whole 1979. The major internal constraint, the Government borrowing requirement, shows no sign of diminishing, balance of payments uncertainties linger on and this year's squalls on the foreign exchanges have been

As a result, interest rates in Amsterdam have been rising for most of this year and long-term bonds now return nearly two points more than they did in the second quarter of 1978 when fixed interest yields reached their lowest level for five years. At the beginning of 1979, average long term bond yields were around 81 per cent. They have since moved up to above 9 per

The capital market's difficul-ties are mainfold but the most pressing remain those arising from currency movements. The problems posed by Europe's new currency framework, the EMS, have been especially testing, creating intense interest rate pressures and sparking off a bout of competitive leapfrogging across the financial capitals of the continent.

fortunes of the U.S. dollar and of currency strength that some European financial centres had Interest rates began to creep Michael van Os

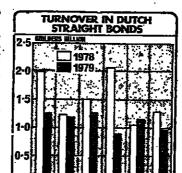
Recently, of course, the whole currency question has had to be re-begged. The narrowing of interest rate differentials between New York and the major continental centres has led the international investor to do an about-turn in his currency thinking, following the latest turn by OPEC in the oil price screw.

The renewed weakness of the dollar is being balanced, in part, by an upsurge in demand for the DM, with the result that the guilder is in danger of being forced out through the floor of the EMS. Dutch short-term rates have been rising sharply in recent weeks as the authorities attempt to keep within their official currency guide-

#### Outlook

Against this fluid background, the short-term outlook is murky. Even if the present currency difficulties can be resolved, the internal con-straints on the bond market remain substantial.

The outlook for the balance The introduction of the EMS of trade—Fis 500m in the red coincided with a revival in the after the first four months of 1979—is far from promising subsequent reversal of the sort while the government is finding it hard to scale down its borrowing requirement. Governcome to take for granted ment calls on the financial markets this year are expected



around 5 per cent during the previous financial year.

The Dutch Government has been attempting to curb its spending for some time, but high unemployment and a finely tuned social conscience make it difficult for the authorities to cut back in line with the needs of economic realism.

However, the State borrowing programme for the current year is nicely advanced with up to 65 per cent of funds needed currently in hand. Four Government loans have been raised on the long-term bond market so far this year, pulling in Fls 2bn on coupons ranging from 81 to 9 per cent for the latest 15-year issue.

Mid-way through 1978, tender offers of Government bonds could pull in only Fls 1.3bn, and upwards with West Germany to represent something like 61 the Government was forced to 15 years with an occasional call the main focus. The rest of per cent of GNP, compared to abandon the bond market for for 25 years if the borrowers

some three months after April as conditions became too critical. Considerable official face had been lost with the issue of April 1978 which could only attract Fls 150m of inves-

As a source of new capital, however, the market in public bonds is severely overshadowed by the private placement market in Amsterdam. The public arena is largely restricted to State and semi-State borrowers, plus financial in-stitutions such as the banks and insurance companies. Chemical group AKZO recently borrowed Fls 125m, but at the cost of a 9! per cent coupon.

Backed by a secondary market and linked visibly to central bank policy on interest rates, the public bond market is the "price leader." But the attractions to Dutch borrowers of private placements are equally plain. The supply of funds is almost instant with the banks which tend to act as sole intermediaries—quick to tap a ready pool of lenders in the shape of pension funds insurance companies and the Dutch savings

institutions. At the same time, there are no initial costs of the type associated with the public bond issue. And borrowers can take up loans on longer maturities. Bond market money is largely limited to 10 years, but in the placement market private maturities range between 10 and

pedigree is in the triple "A" bracket.

Understandably, costs are higher. On average a private placement costs the borrower around half a percentage point more than a similar loan on the public bond market, shading marginally if one or two ancil-lary factors are taken into account.

#### Busy

There are no statistics available so it is impossible to draw direct comparisons between the two forms of debt. But all the major Dutch banks are heavily involved, and all describe their operations as "busy." For per-spective, secondary market turnover was running a third down over the first four months of 1979, but rallied with a rise of 9 per cent during May.

Looking beyond the immediate, interest rates should begin to ease in line with a slowdown in the world economy. Against this background the investing institutions may soon begin to find favour with the historically high real rates of return available.

Dutch inflation, Dutch inflation, although under the sort of oil price-led pressures apparent throughout the industrialised world, is still running at less than 4 per cent compared to long-term bond market yields more than five

Jeffrey Brown

# If the Dutch entrust 40% of their savings to one bank, what does this mean to you? 40 % of Dutch savings is entrusted to the Rabobank and,

as a matter of fact, 80% of the balance sheet total consists of funds entrusted. This places the Rabobank in an ideal position to satisfy international financing requirements on a short. medium or long-term basis.

I he Centrale Rabobank heads a co-operative banking organisation with 3100 offices in Holland alone, providing on-the-spot services geared to local requirements in every part of the country.

he Rabobank has a strong agricultural background. Deeply rooted in this sector for over 80 years, the Rabobank not only finances 90 % of all loans to the agricultural sector but also plays a key role in major agribusiness projects, both at home and abroad, with participations in the Agribusiness Group Holland and the Latin American Agribusiness Development Corporation S.A. (LAAD.).

With a complete range of banking services and powerful affiliations - the UNICO BANKING GROUP and London & Continental Bankers Ltd.- the Centrale Rabobank is fully active in international financial transactions, including involvement in the Euro-currency and Eurobond

markets, foreign exchange. Euro-credit loans and new issues.

A combined balance sheet total of more than 74 bil-

lion Dutch guilders, as per December 31, 1978, (approx. U.S. \$ 37 billion) places the Rabobank among the 30 largest banking institutions in the world.



Rembrandt country is Rabobank country. The country which inspired Rembrandt's internationally acclaimed masterpieces has inspired the Rabobank to create services of worldwide importance.

For more information: Centrale Rabobank, International Division, Catharijnesingel 20, P.O. Box 8098, Utrecht, The Netherlands. Telephone 030-36 26 11. Telex 40200.

Rabobank 🔼 Dutch Masters in Banking. international insurance Group

# Good results and continued growth in 1978

## The Group's 1978 Results and Dividend

-Net profit increased by 21% to DFIs 248.3 million

-Net profit per share rose to DFIs 18.09 (1977: DFIs 16.35\*) -Dividend per share increased 16% to DFIs 5.50 (1977: DFIs 4.75\*)

\*Adjusted for the Rights Issue in 1978

Notwithstanding the increased value of the Dutch guilder revenue rose 9%. International business accounted for 36% of total revenue. Improved results from non-life business contributed to healthy profit growth.

Funds available for investment were at record level. Share issue and good investment performance boosted net assets by 26%.

(in £'000,000) 526 454 134 352	(in DFIs' of 2,101 1,812 535 1,406 5,854 692	1,984 1,720 430 1,243 5,377
173 85	692	•
25		586
26	339 105	292 89
62 1	248 5 —	205 4 5
61 19	243 75	206 60
42 5,623 4,121 550	168 22,449 16,451 2,194	146 19,783 14,957 1,735
	19 42 5,623 4,121	19 75 42 168 5,623 22,449 4,121 16,451

#### In the United Kingdom:

The Orion Insurance Company Limited

The 1978 accounts show: Premium income £25 million: Investment income £5 million: Profit before tax £4 million.

London market marine, aviation and non-marine accounts produced satisfactory results but a loss was incurred in the home fire, accident and motor accounts. Investment income increased by 19% over 1977 on a comparable basis.

#### The Life Association of Scotland Limited reports:



Premium revenue in 1978 increased by over 37% and Investment income by about 25%. At 31st December 1978 long-term funds exceeded £100 million for the first time. Total surplus of just over £5 million is double that of 3 years ago.

Merchant Investors Assurance Company Limited



Continuing its rapid rate of growth in the U.K. unit linked life and pensions sector, Merchant Investors premium income in 1978 at £20.6 million showed an increase of 64% over the previous year. New sales of regular premiums increased by 85% and new single premiums by 68%.

Nationale-Nederlanden operates on an international scale with branches or associated companies in the Netherlands, the United Kingdom, the Republic of Ireland, Belgium, Norway, Spain, Canada, the United States of America, Surinam, the Netherlands Antilles, South Africa, Australia, Singapore, Malaysia, Indonesia, the Philippines, and through general agencies in Denmark, Saudi Arabia, the United Arab Emirates Oman and in other countries.

Why do small countries often

have such important banks?

For more information on our 1978 results write for our Annual Report in English to The Secretary, The Orion Insurance Company Ltd., 70-72 King William Street, London EC4N 7BT. The Secretary, The Life Association of Scotland Limited, 10 George Street, Edinburgh EH2 2YH. The Secretary, Merchant Investors Assurance Company Limited, Leon House, 12th Floor, 233 High Street, Croydon CR91LP or International Division, Nationale-Nederlanden, 15, Prinses Beatrixlaan, 2595 AK The Hague, the Netherlands.

> Belgium and Holland are relatively small countries. Both, however, have very important banks.

> The presence of major Common Market economic institutions is solid evidence that our countries are considered an important financial centre. There's a good reason for this-our geographical location.

Not only do we have international ports with

Antwerp and Rotterdam, there's a dense network of

# Active dealings 111 unlisted stocks

an ACTIVE secondary market or the secondary market in unlisted stocks flourishes are inactive. A truer guide, to alongside the "official" Amsterdam Stock Exchange. Little known outside the Netherlands, this market offers the chance of investing in a large number of sizeable and sound companies. of sizeable and sound companies, according to the brokers specialising in secondary stocks.

Foreign companies have also established an opening in the Netherlands by purchasing an unlisted company. A number of Swedish timber groups an acquisition is the lack of information on the companies and on the market itself.

Two Dutch brokers specialise Two Dutch brokers specialise in making a market in secondary stocks. Broekman's Commissicoank and D. W. Brand together drew up the market rules and they both publish weekly and daily lists of prices and dealings. The third important activities in the market is ant participant in the market is the Nederlandse Credietbank, through which many investors channel their deals. Credietalso publishes secondary market's only index of price movements.

The final responsibility for the proper functioning of the market is a "grey area," Brock-man's admits. While the market itself is not under the direct control of either the central bank or the Finance Ministry the three main participants as credit institutions—are super-vised by the central bank, while the two broking houses are bound by the Stock Exchange Association's rules.

The many informal links established with the official bourse 'n areas such as the merger of listed and unlisted companies or the decision by an unlisted company to seek an official quotation make for a close harmony between the working of the two exchanges, Mr. H. P. Quarles van Ufford and Mr. H. Lohuis of Brockman's said. If anything did go wrong the Stock Exchange Association would probably be the body to take action.
About 800 shares and bonds

are listed in the annual market guides produced by the two

AN ACTIVE secondary market brokers, although many of these bonds. Some of these are stoo which surface momentarily from obscurity as an inheritance is broken up or a family places shares which the members can-

not or do not want to absorb. Other concerns with a large of Swedish timber groups amount of issued capital appears acquired a Dutch foothold in regularly in the daily lists. The facing the foreign investor or retail chain, the Tilburgsche mortgage bank and Verkade an acquisition is the lack of Fabrieken, a biscuit manufact. turer, are among the major con-cerns, many of them household names, traded on the secondary market.

#### Centred

Interest has also centred re-cently on Holland Sea Search, a group with interests in North Sea exploration, IHC Inter, a subsidiary of the IHC Holding offshore construction group, and Zuid Pacific Koper, a company whose assets consist of a 5 per cent stake in a copper mine in New Guinea.

No figures are published about the size of the market, but the Nederlandse Credietbank estimates average daily turnover of Fl 1m (\$475,000) rising to

It is the fate of the secondary market to lose many of its best stocks to the official bourse and this has happened with a number of insurance companies and mortgage banks since the early 1960s. But more than 350 shares are listed of companies in the insurance, investment, property, trading and industrial sectors

Nearly 80 Indonesian plantation companies are also listed, though following the nationalisa tion by the Indonesian Government of Dutch interests, their assets consist mainly of claims for compensation. Many of these claims have been bought up by two companies, Claimindo and Belindo, which are now both listed on the official stock exchange. The setting up of these two companies has meant that the claims can be handled econo-

and the long-term claims are

The largest block of bonds

traded on the secondary market charries issues by church agenisations. Local authority half water board bonds also desire alongside those of comestial concerns. An attempt amount of issued capital appear the banks to simplify their Securities operations and cut activity in bonds. Bond holders th of small lots and concentrate on only a few larger blocks. In view of the good yields on many of the bonds it is doubtful bather this was a sensible move for most investors, says Mr. H. J. Cerard of Credietbank's

dities department.

While the relative scarcity of information about many of the shares and the market makes livesting in the secondary market more speculative than dealings on the official exchange there is nothing speculative themselves, according to Brockman's and Credietbank. "You can achieve a better rate of return on the secondary market than on the Stock Exchange itself," said Mr. Gerard. The limited number of shares placed FI 10m (\$4.75m) on very active by all but a very small number days. Brockman's believes the of companies means major sales average to be higher than this or purchases will be immedifigure and puts the upper limit ately reflected in the share-price. But within these limitative the market offers a country. tions the market offers a sound means of investment.

The smaller companies are frequently better placed to react quickly to new developwhile the personal involvement in family owned companies makes for a more committed management.

Many of the companies traded on the secondary market de not want to publish the information which would be required for a stock exchange listing. They may also not conform to the stock exchange requirement of having at least F1 1.5m (\$240,000) of fully paid up capital. A complicated capital structure may also disquality a company from an official listing. Trading on the secondary

market permits a more flexible mically by a central administra-tion.

While this has reduced the number of individual plantation stocks available the knowledge when the brokers man their Claimindo and Belindo pitches for the stock exchange trading hours of 11.30 am to were buying up these shares

visually quiet sector. The major then continues up to 5 pm. This risk in whether indonesia will compares favourably with significant its promise of compensations on the official steady than the payment of the short exchange where lobbers made that claims has been completed deals for most stocks during the opening 45 infurtes and closing half-hour of trading

The secondary market is stepping stone for many companies to a full listing on the panies to a run instant on the stock exchange proper it allows them to establish their hame among investors without incurring the costs associated with a full listing. Atthough there are correct requirements the reaching the r no formal requirements the two broking houses require an insight into a company's accounts and statings and an idea of prospects before they will launch it on the market and give it their backing by trading

They will advise companies against pitching the value of their shares too high and on supporting their share price, if necessary, in the first weeks after the issuedi. They may also say that a company does not a their reconstructions. come up to their requirements

and advise changes. Although a company can introduce its shares on the secondary market—in theory overnight—the approval of the three major participants is needed before trading can effectively start. Many of the com-panies do in fact provide very full annual statements.

#### Higher

The Dutch banks have complained in recent years that their securities business makes a loss. The costs of the secondary market are if anything higher than those of the stock exchange proper, since share handling has not yet been auto-mated and transfers of the original share certificates are necessary. The smaller deals are therefore clearly not profitable. The large transactions usually are though, while the three major secondary market participants also earn fees by advising companies on coming to the market in the first place, on mergers and on capital rais-

What are the prospects for the secondary market? It is not now as active as it once was and in common with the stock market proper there is a lack of new companies wishing to come to the market. The three major participants are convinced though that it offers a useful addition to the range of financial services available in

Charles Batchelor

# Options trading moves slowly

AFTER ITS first 15 months of operations the European Options Exchange is settling down to a slow but steady haul to viability. A series of setbacks in recent months and the absence of any spectacular rise in trading volumes have forced radical rethinking of several aspects of

It now realises that its early forecasts of a turnover of 7,000 contracts a day within two years of opening were hopelessly optimistic and the exchange's chairman, Mr. Ewold Brouwer, told the recent annual members' meeting that it would take another two years or so to achieve commercial success. On the other hand many members are already making a profit on their operations and many more

can expect to do so before the exchange itself is in the black.

The EOE faced three major problems in 1978, according to its first annual report, published in May Most significantly, many stock markets, and in particular Amsterdam, were bearish. The EOE subsequently introduced "put" options—conferring the right to sell a share at a future date—but this provided only a very limited answer to the poor stock market conditions.

Less co-operation than expected was forthcoming from authorities abroad. The Bank of France, for example, approved dealings in French stocks on the EOE but at the same time said its own nationals could not trade in French stocks. Belgium is the only country besides the Netherlands which allows its investors to trade without

While these are factors over which the EOE's managers had little control they fell down badly in one area where they did—marketing the EOE. Private investors were insufficiently aware of the potential of traded options during the early months. The EOE has now, and belatedly, begun an intensified information campaign, holding seminars for interested private investors, stockbrokers and bankers. Nevertheless, Mr. Brouwer told the annual general meeting that in his view the EOE has still

EUROPEAN OPTIONS EXCHANGE

Volumes in the first 14 months

\$1.1 X	of contracts	Daily average	at end of month
April, 1978	13,283	738	5,303
May	15,472	774	10,931
June	16,487	749	16,840
July	16,075	765	18,766
August	24,797	1,078	24,435
September	29,702	1,414	.35,800
October	33,124	1,506	36,004
November	23,942	1,088	- 44.161
December	14,574	767	48.016
January, 1979	25,876	1,176	33,810
February	18,150	907	40,077
March	28,160	1,280	49,650
April	27,306	1,517	29.347
May	32,520	1.478	38,713
June -	20,589	1,529	49,327

marketing.

people who are increasingly managers argue the control of the EOE the stock exchange, as banks was the loss of First Options of and stockbrokers divert them Amsterdam. One of the leading into unit trusts and other safe clearing members, it ceased

respectable intage the LOE may kol, a Dutch bank in which be underselling its appeal to Barciays of London has a this class of livestor.

Atthough the EOE reckons it foreign interests, could now achieve break even point at arbuind 5,000 contracts a day after cutting back on staff levels, rurnover is still nowhere near this figure. Average daily throover in the first ball of Members who im them EOE

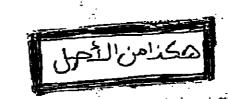
not budgeted sufficient funds 1979 was nearly 1,300 contracts this year for information and a day. The long-term trend shows a steady rise in volumes Mr. Michael Jenkins, who is however, and while the rival shortly to resign as a managing London traded options market director of both the EOE and reports strongly fluctuating the clearing corporation, is contrading volumes Amsterdam vinced that the private investor achieves fairly consistent levels is still a force to be reckoned of turnover. While the EOE with. Despite the impact of tax has been criticised for setting legislation in Europe there are up a sophisticated but expenpeople with money to invest sive trading floor, daily running More important, they are the costs are larry low, its

investments. There are still operations on June I because many investors, however, who of inadequate business. Jointly want more excitement from owned by First Options of their investments, Mr. Jenkins Chicago, the London stock-feels. In trying to project a brokers W. I. Carr and Barchays respectable image the EOE may Kol. a Dutch bank in which

CONTINUED ON NEXT PAGE

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NEDERLANDSCHE MIDDENSTANDSBA





The Stock Exchange, Amsterdam. Share prices have made some modest overall progress in the last six months, although the stock market's main industrial share inder is still an eighth below the peak of January, this year.

# Money market squeezed

monetary and authorities. interest rates nearly double the levels which could be expected in more normal times. Despite the Netherlands' success in reducing inflation to four per cent, money market rates are currently around 8 to 10 per cent. While the prospects for the Government's plan to stimulate the private sector depend to a large extent on a lowering of interest rates the central bank's curbs on credit have tended to boost rates.

The abrupt turn-round in the Dutch balance of payments current account from a surplus of F17.5bn (\$3.6bn) in 1976 to a deficit of Fl 2.5bn (\$1.2bn) last year and the high level of capital exports by companies investing abroad have combined to create tight money market

conditions. , While the market has to an

THE DUTCH money market extent learnt to live with a reflects the dilemma facing the large Government borrowing facing up to the prospect of a further large deficit emerging from the 1980 budget estimates to be presented in September. They are also glancing uneasily over their shoulders at signs of strain within the European Monetary System.

The Dutch money market is based in Amsterdam, where most of the domestic and foreign banks have their headquarters. The Ministry of Finance's money market agent -who oversees the placement of Government loans and Treasury bill tenders—has his office there. It is also home of the Stock Exchange.

The money market is a telephone market place open between 10 am and 4 pm. The participants include five or so major brokers, seven or sector was F1 6bn compared eight of the larger banks and with F1 500-600m by the banks. the Finance Ministry's agent. The banks are now just as In recent times they have been active though, with borrowings joined by the treasurers of the multi-national corporations and the large Dutch concerns, the foreign banks which have opened in the Netherlands and instituțional investors. These include the pension funds, insurance companies and bodies such as the construction industry's social fund, which administers the money set aside for building workers' extra holiday payments and the funds to pay workers laid off during bad weather.

The increased direct involvement of companies has led to development of nearbanking, where two companies typass the banks to conclude a direct deal, and the fearsomesounding "degenerated banking," where companies borrow at rates of interest lower than a traditional overdraft. Data on the extent of this activity are naturally enough hard to come

The money market is principally concerned with the matching of surplus deposits between banks. The Finance Ministry has been very active in recent years with Trezsury bill tenders but these bills tend to disappear into investors' safes-to reappear only when they are redeemed. The local authori-ties and the Bank voor Nederlandsche Gemeenten, handles their capital market needs, both borrow funds on the money market. There is, however, no commercial paper market on the U.S. model.

overnight money to one year, although deposits and treasury bill maturities have lengthened in recent years and the market now deals in terms of up to four years. This has led to a blurring of the distinction between the money market and the lower end of the capital

#### Decision

The central bank's decision consider borrowings of two years and more as long-term funds-which could therefore be passed on without counting towards the quotas laid down under its credit curbs-has stimulated the market for twoyear funds. Before the introduction of this rule central government borrowing in this with Fl 500-600m by the banks. The banks are now just as

The liquidity of the money market depends very much on Government payments, transfers and receipts. Efforts have been made to even out these flows but the market is still subject to sharp fluctuations. While payments to local authorities have been switched from a quarterly to a monthy and now to a weekly basis, there is little the Government can do to spread corporation tax payments through the year. Oil and through the year. petrol duties are paid over once a month but gas royalty trans-iers to the Exchequer follow

no set pattern. The central bank's weekly balance sheet, which is published on Tuesday afternoon, are higher than the central reducing liquidity at home. provides much useful informa-

shows a net position, leaving bankers to speculate about the absolute levels of demand and supply.

The supervision exercised by the central bank over the money market is extensive. The first line of control is the quota allocated to banks for recourse to central bank funds at the rate for secured loans—now 8 per cent. The overall quota is currently Fl 2.3bn, with banks' individual quotas hased on the

extent of their liabilities. The two most actively used tools for fine-tuning the market are special advances against securities to banks issued by tender in times of market tightness. It may also make currency swaps, usually in dollars. It will buy or sell dollar spot, simultaneously selling or buying the same amount forward, to temporarily increase or decrease the market's liquidity. In times of a liquidity surplus the central bank may require the banks to deposit

cash reserves with it. The breakdown of the system of fixed foreign exchange rates has involved the commercial banks in a delicate balancing act throughout the 1970s. Whereas the central bank could previously afford to base its interest rate policies almost exclusively on domestic requirements its major consideration now is their impact on the external value of the guilder. This has meant that the rate for secured loans, the bank rate and the promissory note rate are not always in line with money market develop-

When the market's cash rates flows of funds abroad are bank's tariffs a company can

Terms range from call or demand. But even this only agreed lending facility and lend them to another bank at a profit, leaving the first bank to refinrates. Similarly if the market tariffs, inter-company lending flourishes because directly borrowed funds are cheaper than those on offer from the

banks. To overcome this, banks introduce a premium rate on top of their normal lending tariffs when market rates are high. The slowness with which this premium is reduced in times of falling interest rates and the apparent unison with which the banks implement the premium brought criticism.

Although some bankers are hopeful that the Netherlands' balance of payments position will not worsen further this year, the Government's demand for funds is likely to be considerable. It took up more from the money market in the first quarter of 1979 than in the whole of last year. The Government is expected to take up more than Fl 300m net a month from the money market as well as around Fl 500m from the capital market for the rest of the year.

The outlook is for a timbtening of money market conditions this summer with unseasonally high rates of interest. The central bank is keen to restrict money market financing by the Government because of its inflationary affect. Some bankers speculate though that a certain amount of liquidity creation by the Government is not unvelcome at a time when out-

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# Options continued from Previous Page

Jā

operations alongside other. The EOE continues to comactivities are better placed to plain of a shortage of writers advise on these developments,
withstand the present low turn—that is sellers—of option conThe exchange is hard at work over volumes. The withdrawsi tracts. It hopes to persuade of First Options has led to an institutions such as the smaller improvement in business for investment funds to become improvement in business for improvement in business for investment funds to become
the other clearers, while Merrill more active in the writing of
Lynch, the large U.S. broking
house, has now started clearing shares in their particular which
for the EOE's market makers
The two market makers
suspended at the end of 1978
for falling below their Mouldity

investment funds to become
call options Many of them have
are currently only accorded a
low value by the stock such ange.
They could however self-options
on the shares, the EOE falls. for falling below their liquidity margins with their clearing house have since got over their difficulties and returned to active membership. They are

Unfortunately for the EOE many of the smaller instituhighly speculative. But wifting options on stock which have not the Dutch company, Josso options on stock which have not Options, and the London paid a dividend recently, such registered Philippe George as Akzo and Hoogovens, and investing the premiums, would be a way of creating an afterna-Two problems which still facetive form of dividend, Mr. Brak the EOE are a shortage of marargues.

ket makers and of writers of The EOE is looking at a stumoptions. More market makers ber of ways of increasing the volume of business including will mean increased competition and a smaller margin between bid and offer prices, gold, bond, foreign chirency Mr. A. Brak, a floor broker for and commodity options. These, the Nederlandsche Midden however are lenger teim pro-standsbank, sald in a magazine positions and the exchange must interview recently. Mr. Jenkins first develop 4 solid basis of maintains, however, that share option trading. The Fire premium rates on the EOE are is now considering a repertage billty. The listing of Hong very keen compared with pared by a securities expert. Kong stocks would bring with it spreads on the stock market and former options manager at the same problem experienced itself.

A major U.S. broker Kenneth E. with the U.S. Listings—that of

The EOE continues to com-

The exchange is hard at work to secure the listing of German could attract a sizeable amount options and expects to do so this autumn. A problem in Germany has been a law which vestors too have traditionally allows investors to back out of option obligations, leaving their bank or broker to pick up the losses. This obstacle should not be impossible to overcome, however, and the EOE is convinced that an option deal once agreed would be legally binding.

The opposition of the three largest German banks, Deutsche Bank, Commerzbank and Dresdner Bank, has still to be overcome, but the EOE has met an enthusiastic response from some of the other German banks. This may force the "Big Three" — which have also refused to take part in the Frankfurt options market-to

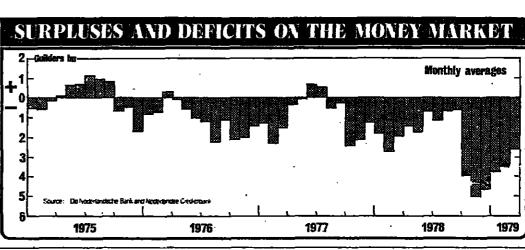
rethink their attitude. The EOE's managers are at present concentrating on Germany, and see Hong Kong, where there is also a great deal of interest for the Amsterdam market, as a longer term possi-

Dolan, who was called in to different time zones and stock exchange trading hours.

> The listing of German options of interest from both German and Swiss Investors, Dutch inlooked to the east, and German options may be expected to stimulate more business than Belgian and French stocks. It is important for the EOE that investors from a particular country may trade their "own" options. The ban on this by the Bank of France has severely hampered business in the three

French options. Surprisingly, because they were thought to appeal to only the more sophisticated investor, "put" options have excited a great deal of interest. Four 'puts" are now listed — all in Dutch stocks - compared with 30 call options.

While there are parallels between the EOE and the Chicago Board Options Exchange the Amsterdam venture has in many ways broken new ground. The EOE admits to having made mistakes but its managers now feel they are gradually moving in the right



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more quickly than would other-

kets over the last few weeks has

with some of the other member

economic thought, which has

become particularly vociferous

since the current account lapsed

legacy from the period-now

have broken out as a result of

the Deutsche Mark's renewed

strength have thrust the Dutch

central bank into a flurry of

activity to hold up the value of guilder. During the first month

or so of operation of the monetary system, the guilder remained comfortably within the upper half of its permitted

zone of fluctuation against the

Deutsche Mark. In May, how-

ever, the currency began to fall after the Belgian franc and then

the Danish krone came under

pressure against the Deutsche

Mark. This month the guilder. too, like the other two currencies, dropped down close to its

lower intervention point against

the Deutsche Mark of DM 90.225

This has compelled the Nederlandsche Bank to make

intervention sales of D-marks

over the past fortnight or so to prevent the guilder breach-

ing its EMS floor. Support for the guilder in the week ended July 9 was around F1 280m. The

central bank has also raised

its discount rate three times-

per cent, to help protect its

graphically by an increase to around 10 per cent in call

market, have been very much

Rising interest rates, which

been reflected most

on the Amsterdam

per 100 guilders.

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The rise of the Deutsche

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# Currency policy reaps rewards better shape than most others in a consequence of tighter credit cent of national income. But policies in the 1880s. This countenance any devaluation of Europe to square up to the extra burdens imposed by the oil price bank this year has been furn.

WITHIN THE hard currency family that has grown up in the EEC over the past six years grouped together first as the European joint float or " snake " and then, since March this year, as the European Monetary Sys-tem (EMS)—the Dutch guilder can lay claim to being the closest relative to W. Germany's unswervingly strong. Deutsche

Since the end of 1972 the guilder has depreciated against Mark on foreign exchange marthe D-mark by less (roughly 82 per cent) than any other currency in the Common Market. Against all other currencies except the Swiss Franc- and the Austrian schilling, the guilder has registered sometimes sizemovementsupward amounting to around 60 per cent over that period in the case of the dollar and 70 per cent against sterling.

Successful adherence to West Germany's hard currency policy over the period of general floating rates has brought the Netherlands clear rewards. It has allowed the country to bene-fit from the last two years of economic upswing in Germany (by far Holland's most important trading partner), and at the same time has given its Government a considerable weapon in the battle against inflation. The average increase in consumer prices last year, at 4.3 per cent, was the lowest in the Community, apart from Germany and Luxembourg.

#### Signs

Recently, however, signs have emerged indicating that rigid alignment of Dutch exchange rate policy with that of Germany has also brought its problems. The first cloud to come over the currency was last year's lurch by the Dutch balance of payments into current account deficit for the first time in seven years. The shortfall promises to be repeated in in 1979, even though exports so far this year look much more encouraging. The second has been the dramatic rise in the public sector deficit, which forced the Government last month to put an emergency brake on spending.

third-whose conseat the end of May and twice this month—each time by } per quences for the guilder, and for the EMS as a whole, have not yet become completely clear on foreign exchange markets—has been the renewed rise in oil prices decided by OPEC at its Geneva meeting just over a fortnight ago. Since there is general consensus that the German economy is in fundamentally

burdens imposed by the oil price bank this year has been turnrise, one consequence of the order to dampen down acceleration may be that the currency parities set when the currency parities set when the increase in money supply. EMS was put into operation four months ago will have to be adjusted—as a result of Deutsche Mark strength-rather

markets most of all this year has been the rise in Government's borrowing quirement, expected to around 6.5 per cent of national income this year against the self-imposed 6 per cent limit not only put the guilder, along and the original target of 4.5 currencies, under strain within the EMS. It has also dragged it per cent. The main reason has been the sluggish performance up against the dollar and reinof the economy, together with the inability of the two coaliforced calls by Dutch industry for a cut in the exchange rate to tion parties to agree on aid export competitiveness. According to this school of measures to reduce the deficit.

#### Spending

into the red, the guilder has become overvalued as part of a over, it seems when the Netherlands year after year earned high balance of payments month, involving measures to public spending and surpluses purely as a result of its natural gas exports. meant to prevent the public would be the main restraint on the is highly unlikely that the sector deficit exceeding 6 per Dutch social and economic Government would want to The strains in the EMS which

however, the balance of pay, and businessmen. ments. The move into deficit during the years of natural gas. trade deficit down by half in the first four months, there is no sign yet of the current account returning to the black,

Bank, Mr. C. van Westneenen, public spending and went so far as to say that the pected to be in the region of 4 up tax receipts, was balance of payments position per cent to 5 per cent this year to prevent the public would be the main restraint on — it is highly unlikely that the

ating inflation and rein in the fall against the Dmark has where whatever else happens in Belgium, which has a similar increase in money supply The fundamental area of con- appearance of a solid current

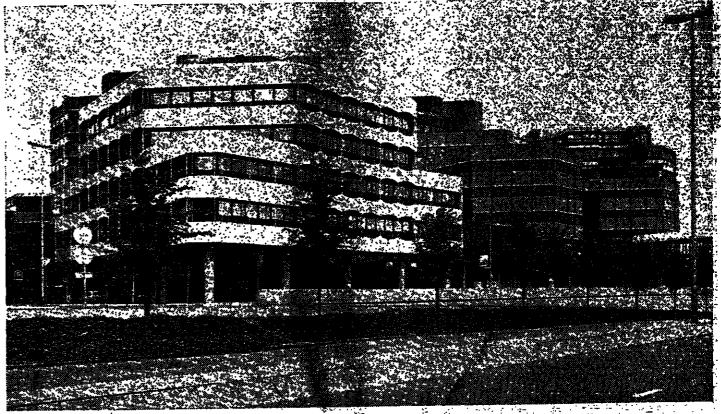
> However, despite the strains last year, when the current on the guilder rate which have account was in the red to the emerged over the last month; tune of some Fl. 2.5bn, spot there is nothing to suggest that lighted a basic malaise which the Dutch are willing to give had taken a hold on the economy up any of the benefits associated up any of the benefits associated with the virtuous circle of strong currency/low inflation surpluses high output costs strong currency/low inflation and an unfavourable product rate. During the negotiations mix no longer corresponding to leading up to the formation of the needs of export markets the EMS, Holland was the the EMS, Holland was the Although the deficit is expected principal supporter of the to decline this year, with the German position that the new system should on no account be less "stability-orientated" than its forerunner the "snake."

The "emergency brake" on At the beginning of this year. Both because of this and in public spending announced by a prominent member of the view of the degree of converging the Finance Minister last Board of Amsterdam Retterdam ence of the Dutch and German Both because of this and in ence of the Dutch and German inflation rates — both are ex-

the world, the continual re- if somewhat harder to justify economy which has perhaps cern, for both the Government account surplus is more or less orientated stability policies, has worried the foreign exchange and commercial banks, remained taken for granted by economists avoided devaking the guilder. at fairly regular intervels over the past-three years.)

The best solution from Holland's point of view would probably be for a small overall upvaluation of the Deutsche-Mark—a course which Germany, took during, snake, adjust-ments in 1976 and 1978. This would give Dutch exporters to the Gennau market an additional competitive edge, but would leave the parity of the guilder unchanged against the other members of the monetary system, allowing the authorities; to tackie the top priority task of the next feet years — the elimination of the current account deficit iron a position of unassalled currency.

David Marsh



The headquarters of Rabobank in Utrecht—this bank is traditionally linked to the market for farm finance and household accounts, although it may has increasing international interests

# Who's got the answers to the 6 most commonly-asked questions about trading with the Netherlands?

# What are the advantages of starting

a business in the Netherlands?

Excellent communications, including the largest port in the world at Rotterdam; stable and well organised labour relations; a long business tradition; excellent living conditions. Some of the world's Unilever, Royal Dutch Shell - are

Does the Dutch Government encourage new business ventures?

Yes, it does. Foreign-owned companies are treated in exactly the same way as Dutch companies, and, In some instances, even have favourable tax treatment.

Are the Customs tricky?

Typical of the flexible Dutch ms system is that you can Amro Bank of course

store goods brought into the country indefinitely in bonded warehouses without payment of duties or VAT (Value Added Tax).

What import duties will I have to pay?

Import duties were abolished for EEC members on 1st July, 1977. Associate members, and some other countries, have preferential trade agreements. VAT (Value Added Tax) is levied on most imports.

What do the Dutch need most?

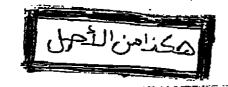
Predominantly raw materials. since the country has a shortage; finished products too, in order to support the national chemical, metallurgical, petroleum and

In the last few decades, there have been very few labour disturbances and strikes, largely due to the fact that employees and employers have good means of communication which they exercise to reach satisfactory wage and conditions

Amro Bank is a leading Dutch bank, with over 840 branches throughout the country. Amro has a network of correspondent banks stretching round the world; and is a member of European Banks International (EBIC). If you want to know more about doing business in or with the Netherlands or for details of commercial banking, trade finance and business promotion services in Europe and internationally - please contact us at either of the addresses below.

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# More powers for central bank

Nederlandsche Bank has been increased over the year by more given statutory powers where before it had to rely on gentle-smaller banks have, for comman's agreements. As with petitive reasons, been allowed Bank of England certain powers & per cent

supervision-monetary control, prudential control and structural control, although it shares responsibility for the last of these, control over the shape of the credit business in Holland. with the Finance Ministry.

Regulator

The monetary task of the central bank under the 1948 banking law is to regulate the value of the Dutch guilder so that it is as favourable as possible for national prosperity, while at the same time keeping the currency unit stable. The Dutch central bank appears to have rather less freedom of manoeuvre than the German Bundesbank, and rather more than the Bank of England, in pursuit of this elastically defined task.

It can take credit policy decisions only after consulting the credit institutions and only after clearing with them the Finance and Economic Ministers. It does, however, have the right to appeal to the Crown over deep disagreements. Aside from open market operations the controls statutorily granted to the Bank include reserve requirements, quantitative controls over the overall growth of loans and investments, and qualitative control over the growth of individual types of lending. Together with open market operations these give the Bank a comprehensive grip on developments in the Dutch bank lending market.

At the moment, when Holland is trying through sustained self-restraint to restore its labour cost competitivity in anticipation of the day when its natural

IN A development which has its parallels in the recent Banking of monetary control is a credit formally under the bank's con Bill in Britain, the Dutch central bank has just had its powers formalised and extended through a revised Act on the supervision of the Dutch credit system. As with the Bank of England the Walent maturity may not be at least FI 50m of short-tern was that the increased over the wear by more funds withdrawable at less that

have been granted to it which the need for these measures regularly were formerly derived from has been reinforced by Holmarket exchange control restrictions. land's recent current account. The cer As in the UK, the new Act has deficit. Despite the relatively prudential defined more carefully what a slack economy the Dutch banks through thave been able to remain within any weather. creasing their borrowing in the

funds withdrawable at less that two years' notice." The band thus has powers to deman periodic reporting from con regularly tap the Dutch mone

The central bank's powers prudential control are exercise through the laying down o Under the new law, the bank the constraints and to avoid holders funds to risk-bearing is charged with three areas of penalty payments only by in assets and liquidity ratios solvency ratios-relating share

relating liquid assets to the volume of liabilities. The ban long-term capital market. volume of liabilities. The bar. The new legislation has is currently engaged in a brought the Dutch Post Office attempt to persuade the Dutc.
CONTINUED ON NEXT PAGE

# **EFFECTENKANTOOR** A. STRATING & CO. B.V.

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# Modest progress in share prices

IE EQUALTY market in willing to take more than a very pland has had a trad first six guarded view of that forements. Share prices have made seeable future.

Me modest overall progress. Anoma Entopean invasiment it the Ainsterdam excell has been the strongest interstanding the first indicated the strongest interstanding to the best national largest homeanies account for the opening three months of 1979 that other accompanies in the stock market (see table) with dustrialised world the Duich of the boat quoted value of the stock market (see table) with dustrialised world the Duich of the boat quoted value of the stock market (see table) with dustrialised world the Duich of the boat quoted value of the stock market (see table) with dustrialised world the Duich of the boat quoted value of the stock market (see table) with dustrialised world the Duich of the boat quoted value of the stock market (see table) with dustrialised world the Duich of the boat market (see table) with dustrialised world the price in the stock market (see table) with dustrialised world the price in the stock market (see table) with dustrialised world the price to produce some sort of profits at the beginning of 1978.

Most analysts in Amsterdam are expecting Unitever to produce some sort of profits growth this year, but no one seems to have raised their sights wery high in contrast, the trend of earnings at Royal Dutch Petroleum is likely to be dramatic. depend on pressures are outside; Dusinessures are pitching their belts and the pitching their best and the good deal less than exciting.

The fundamental stractions the stock market are thus as the low ebb. The other side of the vestment equation, the supply funds is less depressing with situational liquidity remaining latively bringent. latively buoyant. As a result certain affound of new money ntinues to trickle into the ulties. But for the most part, the fund managers are constrained on the competition. The fixed interest markets are earning off most of the funds at might have been reserved. c ordinary shares as investors to refuge from the slowing the refuge from the slowing wild economy in historically the money market yields. Jurns in the long term bond trket have moved by sharply in the long term bond trket have moved by sharply like the mounting is still runged mounting is still runged mounting is still runged at less than I per cent. Against this background, unty investment in Helland iks set to stay out of inchion or the medium term is broken the medium term is broken to the medium term is broken to the first per possess of sistence to the first per possess of the first per possess of sistence to the first per possess per

#### Uncertainty

The 1978 results of these big three reflect fairly accuracy the current degree of these to uncertainty. Only Philips managed to emerge from last year with profits ahead of stock market expectations, sind then only marginally. Having lagged noticeably over the first nine months. Philips popped up with an eventual gain of 5 per cent in 1978 after tax earnings.

Philips boosted its sales volume by 8 per cent last year, but the traditional paich of year accounting affectments clearly played a major sale in the year's earnings. Moreover, the sharp (26 per cont after tax) gains shown after the first three months of 1000 were largely a reflection of the depression existing at the partset of 1978.

Take Philips, Unileses is

of 1978.

Take Philips, Unileges is very much a bell-weither of the world economy. It is too of the top dozen companies is the world in terms of sales, and the largest consumer speak to managements is worled should be unileged to demand among major product. worried about the outlook for demand among major product

produce some sort of profits growth this year, but no one seems to have raised their sights very high. In contrast, the trend of earnings at Royal Dutch Petroleum is likely to be dramatic. dramatic — if a constant reminder of the main reason

for the present sluggish level of growth in the world economy. Net income at this major oil group rose by slightly more than a fifth in 1978 but that only put earnings broadly back to their level of four years earlier. During the current year, Royal Dutch was surging strongly forward as earlier stock losses turned into stock probts. Moreover, the full impact of the latest rise in oil prices has still to be reflected.

Unlike his counterpart in many other major financial centres, the Dutch private investor remains a substantial force in the stock market in doldrums. Amsterdam. Estimates vary, but it appears that something like two-fifths of the total value of. the stock market is held in private hands.

Over the years the authorities have clearly encouraged invest-ment. Dividend controls and market this year has not been capital gains taxes are an out of step with Europe in unknown quantity, and dealing general. In fact, the first six expenses — which in London months of 1979 produced a relaalone have done so much to crowd out the individual investor—are relatively modest.

. Many market operators, the banks especially, argue that dealing charges are too low for

Among individual Dutch shares, Heineken was a notable

DUTCH EQUITY MARKET

Royal Dutch Petroleum Unilever Algemene Bank National Nederlanden Heineken Ned. Middenstandsbank AKZ0 1.2 75.7 Amey
Total top ten
Source: Capital International

comfort. The average commisamounts to around 0.8 per cent of the amount invested. At least one major Dutch bank has been pruning its investment service operations on the grounds that it can no longer afford to operate in business as a loss

One of the technical disadvantages for the market maker in Amsterdam is the relatively low number of shares quoted which lessens the possibility of a continuous flow of two-way business. When the major international stocks are out of forces trading agriculty tends to favour, trading activity tends to slide all too easily into the

In the 10 years to the end of 1977, intense industrial integra-tion, plus the odd business failure, effectively halved the number of shares quoted.

For what it's worth, the pertively resilient showing; according to statistics compiled by Capital International.

Over the January to June period, the Capital International world index was up 4 per cent with the Netherlands comfortably in excess of this with a gain of 7.7 per cent. In contrast. West Germany was lagging by 12.7 per cent in the

with a six-month decline of more than a tenth. while Royal Dutch Petroleum could boast a gain of more than

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The Rotterdam Stock Exchange

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itution into "serret created by the country's gas cetyership"—which means wealth lat the institution concerned dist refer all decisions to a Abroad serret receiver" appointed by the hank It can amblish any

anks to boost their solvency Settlements is a strong advocate tios through share issues. The of improved monitoring of the shareholders funds to internationally consolidated skiebearing assists furs fallen bank balance sheets.

Eadily to 7.4 per cent in the Solvench for the central bank's st quarter of 1978 after have ing scene. The other aspect of the bank has continually been funcion bank's supervision concerns. The chief aum of the bank's requirements over floriand has been an exporter of lat time but has now decided capital and also an entreport of its time but has now decided capital and also an entreport is given the bank much flows. The international capital export and to limit the adoption of the stiller powers than before to ing business in Holland grew states from the early seventies during the period lates of the Dutch commercial banks may not axceed their external assets by more than

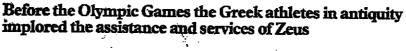
Recently the inflow of foreign prevent capital inflows include he bank. It can publish any Recently the inflow of foreign nored instructions. It can banks has slowed right down as steps to engage another. But at the end of 1976 assets inacially strong, institution to abroad accounted for one-third ancially strong, institution to abroad accounted for one-third ancially strong, institution to abroad accounted for one-third. we support to a weak one. of the Dutch banking system's Interestingly, the new Act so makes specific provision for e international bank regular m which is now the subject so much discussion in Pagina actional declaration of its name. of much discussion in Basic currency Holland ranks third in currency Holland ranks third in Europe behind Germany and Switzerland, according to the bank supervisory anthorities offer countries.

other countries. The presi. The bank adopts a liberal preserves some initial of the bank. Dr. Jelle attitude towards this out-to-out terms and conditions. jistra who is also head of business that is, borrowing a Bank for International funds abroad for re-lending to

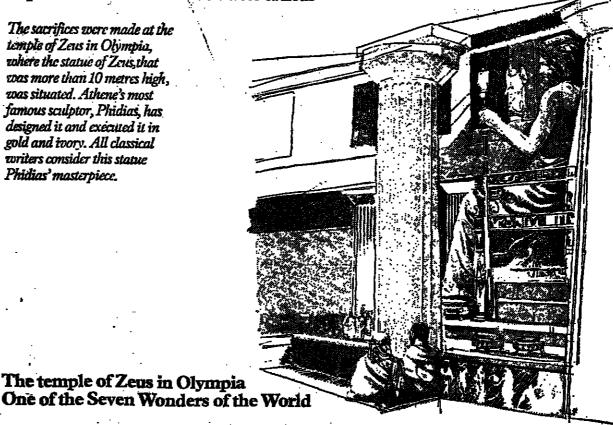
external assets by more than Fl 3.35n (\$1.575n). This type of control is enshrined in the new Act Other measures to abroad by Dutch non-banks and —from time to time—restric-tions on types of deposit and on interest payments to foreign depositors with Dutch banks.

Finally, in order to limit the total quantity of Euro-guilder securities outstanding, the bank operates a queue system for public issues and private placements by non-residents and, in the case of private placements, preserves some influence over

Nicholas Colchester



The sacrifices were made at the temple of Zeus in Olympia, where the statue of Zeus that was more than 10 metres high, was situated. Athene's most famous sculptor, Phidias, has designed it and executed it in gold and tvory. All classical writers consider this statue Phidias' masterpiece.



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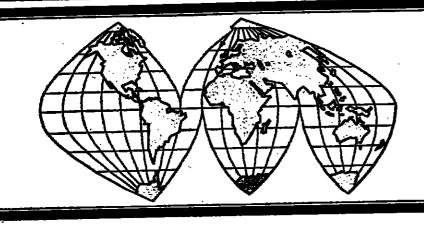
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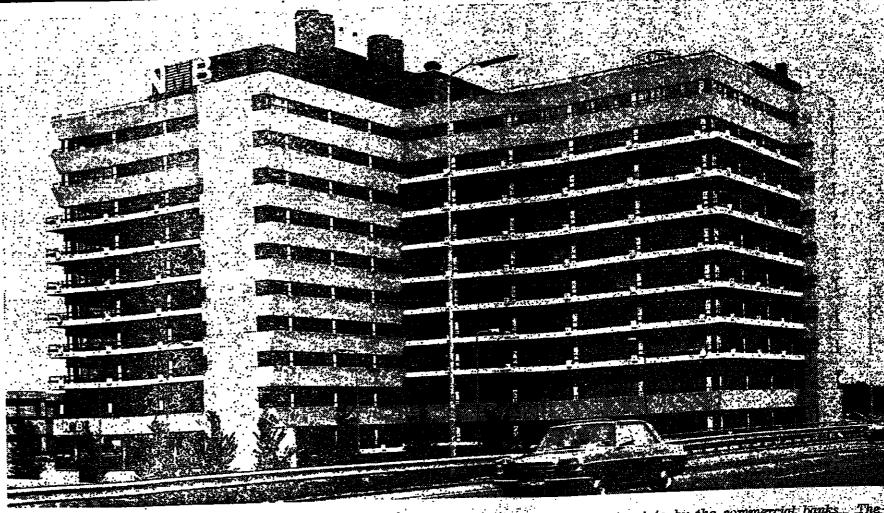
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In recent years, the savings institutions of the Netherlands have seen their market share eaten into by the commercial banks. The Nederlandsche Middenstandsbank in Amsterdam (above) is the prime example of a commercial bank with an affiliated savings subsidiary

# Savings banks become a major force

where, to keep a fairly low profile. While their lack of a Stock Exchange quotation and the apparently unglamorous character of their operations mean they escape the public scrutiny which their publicly quoted rivals are subject, they have become a major force in the

In the Netherlands, four main groups compete on the savings market. The largest is formed by the agricultural co-operatives -principally the Rabobank, with a few smaller institutions led by the Friesland Bank Cooperative. Together they accounted for 42 per cent of the savings market in 1978.

banks, such as the Algemene Nederland place with 24.3 per cent of the savings market. The commer-cial banks' discovery of the private customer has fundamentally changed the face of banking and created considerable competition for the traditional

The commercial banks are followed by the 80 or so savings banks which are linked through the Nederlandse Spaarbankbond —the association of savings other agricultural co-operatives banks which was founded in saw their share decline slightly

The association has seen the number of individual banks affiliated to it fall from around 350 at the beginning of the century to the present level. The process of mergers is continuing however as larger units.

42 per cent last yeer.

The savings banks fell from 19.3 to 17.1 per cent, while the Post Office Savings Bank declined from 17.3 to 14.9 per century however as larger units.

All sectors took part, though ing, however, as larger units All sectors took part, though are formed in the major cities, in the absolute increase in sav-

of the market.

The Post Office Savings Bank has 14.9 per cent of the savings market. Plans to merge the bank with the Post Office cheque and giro system have been under discussion for several years now and a final set of proposals may be presented within a few weeks.

#### Merger

The centre-right Government appears to have dropped the previous left-leaning coalition's placs to make the bank into an aggressive competitor in most creat of banking—including the The rapidly growing activities of the general commercial credits—in favour of a less radicul merger of their

present activities. to the commercial which the Neder-Middenstandsbank's affiliated to landsche savings subsidiary is the prime

All the other savings institu-tions have seen their market share eaten into by the commercial banks, in recent years. The commercial banks increased their share by about a third between 1976-78. Rabobank and from 42.6 per cent in 1976 to 42 per cent last year.

THE SAVINGS and co-operative the numbers are expected to ings deposits from a combined banks in the Netherlands tend, stabilise. The savings banks in 1976 to F1 93.75n like their counterparts eise proper account for 17.1 per cent (\$48.5bn), last year. The savings banks rose by F1 2.8bn to Bank by FI 2.4bn to FI 13.9bn and the agricultural co-operatives by FI 11.1bn to FI 39.4bn.

This sizeable market has come under pressure, though, in recent years the savings banks association noted in its latest annual report savings as a share of national income fell sharply from around 20 per cent in 1974 to only 14 per cent in 1978. This was largely due to a decline in savings by the Government, companies and the social insurance funds.

Family savings levels have also fallen, however, Savings, as a share of disposable family incomes, fell to 13.5 per cent in 1978 from 16.6 per cent in 1974. The considerable investments The remainder of the savings required to revive Dutch industry and improve its compared for by savings banks petitiveness on foreign markets must, to an extent, be met from

family savings.

The association is in favour of more encouragement of savings. It welcomed the recent decision to free the first F1 200 (\$100) interest on savings' deposits from tax, but called for the tax limits to be raised to at least FI 1,000.

The relatively modest position of the savings banks proper in the total Dutch savings market compared, for example, with their West German counterparts, is largely due to restrictions on the granting of com-mercial credits by the Dutch banks. While the savings banks' earnings on pure savings business in the Netherlands are not liable for corporation tax, other business does carry the

normal tax charge. The banks would face a considerable tax bill if they were to broaden their activities in this way. Nevertheless, the savings hanks are now considering very carefully whether to go into this market, said Mr. W. F. van Leeuwen, deputy director at the Savings Banks Association.

Not that the savings banks have been standing still in recent years. The development of transfers by cheque, which led to most large companies paying wage packets directly into their employees' bank accounts, changed the face of the savings banks. They became money managers for their clients, moving into mortgage lending with the recent increase in home ownership and subsequently offering allied services, such as insurance.

A typical savings bank will now offer deposit and savings accounts, savings deposits and certificates, mortgages, con-tinuous credits, personal loans, home improvement loans, insur-ance, package holidays, foreign currencies and security trans-

The largest of the Savings Banks Associations' members, the newly-formed Centrumbank has a balance sheet total of FI 2.9hn (\$1.45bn), which makes it considerably larger than many of the smaller commercial

The bank, which assumed its present form in March, represents a merger of eight smaller banks in and around Amsterdam. Centrumbank now has more than 120 branches and 896,300 customers' accounts.

The Savings Bank Association expects the mergers to continue as the smaller banks scale up to meet the rising costs of the computers and other tools of modern banking and to pool skilled staffs. The revised law on the supervision of the credit system, which came into effect in January, is expected to speed

law lays down



The agricultural co-operatives are among the large competing for the savings market. But the fast gractivities of the general banks, such as the Algemene Nederland (above) and the Amsterdam-Rotterdam Bank, kao pushed them into second place with 24.3 per cent of the

minimum asset level of F1 500,000 for a bank to be granted a licence, and some of Co-operatieve Centrale Boere leenbank The bank is now rationalising

the branch network it inherite the smaller savings banks do not meet this requirement. The from these two institution Rabobank, too, has extended the demand that a bank should have more than one senior director range of services it offers to compete with the commercial banks. It now ranks number would also pose problems for many of the savings banks in their present form, and this requirement, too, can be expected to lead to mergers. two in the Netherlands, with balance sheet total of FL 74.25 in 1978.

A similar process is under way at the Rabobank where the number of affiliated banks fell While the structure of the Rabobank is similar to that 6 the savings banks — wif to 1,000 in 1978 from 1,200 at member-banks operating with the time of the founding of the bank in its present form, in fair degree of autonomy—it he built up a stronger headquarter operation, based in Utrech; The Rabobank resulted from This has enabled it to expan the merger of two independent agricultural co-operative banks, the Co-operative Centrale internationally over

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A. J. Mak van Waay

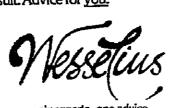
more complicated than ever. Who can properly? What is the influence of certain political events, both nationally and internationally? How important are energy issues, exchange rate fluctuations, social problems or environmental issues...

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#### 17

# A factional dogfight

HE PROPHETS of door ing up charges of abuse issue because of the growing acknowledged leader in Parlia-weeks ago. Mr. Narain led a ave been proved right 28 of power during her 19 month hold that the Jana Singh was ment. ave been proved right 28 of power during her 18-month touths after the Janata Party emergency rile; Mrs. Candhi as born, among them Mrs. has fought a remarkable rearndira Gandhi, which it ousted guard action. Unerringly she served by an inactivity and failure to lusory merger of five disparate govern, and the rights of the roups which never countied underprivileged and minorities roperly, has iddinifegrated. These are indeed the issues on odian politics presents an which the final onslaught on Mr. nedifying picture of personall. Desai was mounted the issues on oliapse of the Janata Govern isolated betause of her own tent headed by Mr. Morarii insistence on the advice of her own least chaos must go to Mr. Desai cannot hope to return to power

When the time for selection iency.

When the time for selection iency.

It Desai was nominated Broadly speaking the five Congress for Democracy group.

The ageing Mr. J. P. Narayan, groups of the Janata Party have

A shrewd political political ame, Mr. Desai was nominated by the ageing Mr. J. P. Narayan, vho had led the campaign

vas ever ready to fill the communal clashes in the past acuum which a collapse of two years, the other factions he Janata would create. Faced insisted that the Jana Sangh what she claimed was a vin-break openly with the RSS, and are thus a powerful Charan Singh's protege. They ictive campaign of bring They made this the foremost minority. Mr. Ram is their broke with each other a few

ear chaos must go to Mr. Desai cannot hope to return to power timself. He became Prime before new elections are called. finister on March 24, 1977. That may become necessary then Mrs. Gandhi was trounced if the present josiling for positive many the imminerable never really had my personal factions continues and the presionlowing. The five factions in dent, Mr. Sanjiva Reddy, finds he Janata were as surprised by there is no viable alternative, laving been cataputted to for the present, none is in sight. One is the electorate as. The factions are so various assisted in which she had first even Indians find it differ figure in which she had first to follow what they are need rejected. The five factions and what they stand for. Political to common policy, no ticiens shift from one to and hat common policy, no ticious shift from one to taker acceptable to all of them, another with unabashed exped-

fragmented into many more. The gainst Mrs. Gandhi. Mr. Desai two foremost among the original ived up to his reputation five were the Bharatiya Lok Dal or arrogance and pursuing (BLD), led by Mr. Gharan dees fixes like prohibition. Singh which spoke on behalf of Ie led a persistently divided the rich farmers, and the Jana arty in which political heavyveights like his two Deputy
rime Ministers, Mr. Charan
lingh, and Mr. Jagjivan Ram—
ow the main contenders for Hindu organisation that claims lower-refused to give him it is merely "cultural" without

They knew that-Mrs. Gandhi has witnessed several bloody

hold that the Jana Singh was acquiring not only over the central Government in New Delhi but also over the Hindi-speaking states of the North ruled by the Janata. It used its influence there to secure jobs for its followers, sparking off new tensions in areas where

there is high unemployment and Hindu-Moslem friction is strong. The Jana Sangh, the only faction in the Janata apart from the BLD to have a grassroots organisation, was plainly out to grab power in the long run. It found in Mr. Desai a willing ally. Lacking any following of his own, he ignored complaints about "dual membership" to keep the powerful Jana Sangh on his side. The Ministers who resigned early last week did so on the grounds that the Jana Sangh's links with the communal RSS were unacceptable.

Defection ploy The ministers belonged to the other factions in the Janata Party. They included Mr. H. N. Bahuguna, Minister for Petrocurious gift of political prescience, Mr. Bahuguna was instrumental in Mrs. Gandhi's defeat in 1977 by luring Mr.

Although it is now known election election because of the sterilisation campaign con-ducted in northern India by (Untouchable). Despised by

He has considerable adminiin the Congress for Democracy is small, his standing is high throughout the sub-continent. The remaining factions in the Janata are the Socialists and those members of the Congress who opposed Mrs. Gandhi when she first split the party in 1969 upon being challenged by the establishment. The Socialists

are split into at least three groups, each of which probably has a following of fewer than 10 members of Parliament and so cannot play a decisive role. Neither has the fifth group, led by Mr. Desai, the "old" Con gress rejected by Mrs. Gandhi in 1969. Most of its members, including Mr. Desai, lack a popular base. That is why its few members were forced to identify themselves with the Jana Sangh. The "old" Congress can be expected to throw their lot in with what they feel will be

the winning faction. A straightforward answer to the question which faction will come out on top is impossible to give, since parties outside the Janata —as divided and numerous as the Janata factions-must be Defence Minister—to defect the (S) stands for secular—from her Congress Party.

Although it is reckoned with. It is impossible Narsin. Known chiefly for sucthat Mrs. Gandhi lost the 1977 cessfully challenging the validity of Mrs. Gandhi's election to Parliament in 1975, and rime Minister because of the so-called "dual member-eluctance of the factions to dmit that their experiment vas doomed to failure from the thereby setting off the chain of

> At that time Mr. Narainorthodox Hindus as being out- known for toppling powerful side the caste system, the figures despite an occasional Harijans number about 80m air of buffoonery-was Mr.

Singh. The position of the latter is thus considerably

official opposition in parliament, the Congress which is not to be confused with the Congress (I)—the "I" standing for Indira—led by Mrs. Gandhi. It was the no confidence motion of the Congress, moved last week, that sparked off the present defections from the Janata.

the next Government is a coalition of "like-minded secular and democratic" forces, the support of the Congress parliamentary party led by Mr. Y. B. Chavan could be crucial. Mrs. Gandhi's Congress (I) has hardly any role to play yet. She is interested mainly in the withdrawal of the cases brought

against her (she is due to appear on Wednesday before a special court) and she is aware that any Government that is formed will not forgive her. She is therefore hoping that an election will become unavoidable. Mrs. Gandhi could then hope to cash in on the widespread disillusionment. No one else wants an election at the

favour of Mrs. Gandhi.

flood of defectors from the Janata a few days ago by formstrative experience. Even ing the Janata(S). It is a though his personal following in the Congress for Democracy claimed it was the largest group in Parliament next to the now disintegrated Janata. He has even staked a claim that the Janata(S) should form the next Government. At the moment he is not being taken seriously, but yesterday he again identified himself with his former mentor, Mr. Charan

strengthened. One must also not ignore the

able to southern India. Jaglivan Ram has held almost every key portfolio except finance. Known popu-If, as is commonly believed, " like-minded larly as "Babuji," Jagjivan Ram lost the race to become Prime Minister in 1977 to Desai. One of the obstables in his way—as in the case of most senior Indian politicians—are scandals in which his son has been involved.

moment, since the other factions know that their disunity is a major factor in

The popular disillusionment with the Janata reached a peak recently when it was amply demonstrated that the Government had failed to tackle grow-ing economic and political

Trades Union Congress con-

Sir Richard Marsh, Newspaper

Publishers Association chairman.

speaks at American Chamber of

on oil—how serious a crisis?

GENERAL

annual report.

Charan Singh, 76, cham-Jagiivan Ram. 71, perhans most experienced polipion of the peasantry, has his base in the politically key tician in India, has been in the central cabinet since state of Uttar Pradesh independence in 1947 with where he has been Chief only short breaks in 1962 when Nehru dropped him, Minister twice. He has a reputation for breaking up and 1977. As a Harijan (untouchable), he commands parties he belongs to. He broke with Jawaharial Nehru allegiance of because of their different minorities. He is possibly the assessments of the economic situation, then went on to pursue his own view of "Ghandhian economics." The only major contender acceptburden of it is that India's problems can be solved only

> not to heavy industry. Charan Singh has hardly travelled and cares little about foreign policy. If he became Prime Minister, India might figure less prominently

by attending to agriculture.



Hemwati Nandan Bahuguna, 58, is the youngest contender and for this reason the least likely to succeed. Of distinct leftwing leanings, Mr. Bahu-guna is among the few senior politicians trusted by the Muslims and minorities. Mr. Bahuguna was once Indira Gandhi's most trusted follower. She made him Chief Minister of the state of Uttar Pradesh from 1974 to 1976 but they quarrelled during the emergency. By starting a new party — Congress for Democracy — to which many congressmen flocked, he dealt Mrs. Gandhi a severe blow. He is considered a good administrator with a remarkable capacity for hard work. and one of the few successes of the Janata cabinet.

problem; despite the existence been even more serious-foreof favourable factors such as most among them the deterio-huge food and foreign exchange rating law and order situation. reserves. It does little credit In the northern Indian towns of Government that- Aligarh and Jamshedpur, about nearly 2; years after it came 150 people have been killed in to power—it still has to finalise Hindu-Moslem riots since Octo-the sixth Five-Year Plan. So ber. The Moslem community, far it has been content to get numbering about 80m throughby on the basis of annual plans out India. has not felt that Mr. which do not really face the Desai's Government has dealt challenge of how to end with them as even-handedly as sentation in the central Parlia-unemployment and poverty, past Congress administrations, ment and are now being wood Moreover, after relative price In several states the police have stability during three years, also mutinied. prices have risen by 10 per cent since the budget presented on ment alienated those states not current power struggle. February 28.

Finally, the Desai Governruled by the Janata. That is Failures on other fronts have one reason for the Janata's India's democratic structure.

the motion of no confidence if it had come before Parliament. Centre-state issues are important because the differences threaten the country's integrity and weaken the federal structure. Non-Janata parties ruling the southern states have a substantial reprement and are now being wooed by all aspirants to power. That will inevitably add to the confusion and instability in the danger is that it will weaken

former election allies, the

Marxists, deciding to vote for

#### Letters to the Editor

# outdated

rom the General Manager, Lutomobile: Association nsurance Services

Sir, I have followed with iterest the articles concerning he revised index oncerning the forward cower in overthe revised index of knock of

if insurance that contributions in imports he foresees, and put the central premium fund to the central premium fund our grading relations with our includ bear some real relation. EEG partners on a stable hip to the likely call upon that basis. und Equally fleet operators spear to have a justifiable, bjertion because the market igreement effectively limits heir freedom of choice to pur-hase a particular level of nsurance cover.

In many organisations the notor fleet represents\_a major cost and to minimise running expenses is a prime objective. If the operator believes it is theaper to carry the risks of damage and liability himself rather than pass them to hisurens then he will do so. Under current legislation and the new insurance agreement the sums are complex but must he attempted. Fleets with a high mileage inevitably pro-duce a large number of accidents but good driving will minimise their ultimate cost if. blame can be apportioned. Insurance agreements prevent this happening.

Surely the whole concept of knock-for-knock agreements return on capital at current needs reconsidering. They were valuation. originally introduced to avoid the cost and delays in settlement of claims brought about by the need to apportion liability between two or more parties involved in an accident. Nowadays few comprehensive motor insurance policies are issued without an accidental damage excess, sometimes of substantial value. This excess. becomes an uninsured loss for one party in an accident and liability for that loss is in determined by an practice

agreements would result in a reduced, at least in theory, to a fuge increase in litigation costs but I doubt if this would occur per unit of energy "evaluation, in practice. A market without internal agreements seems the only fair way to determine how much or how little a véhicle owner should pay for his motor insurance at whatever level he

David Thomas. General Manager. Fanum House, Basingstoke, Hants.

# Joining the

currency and tax policies may well as the "current asset" employees are in small firms Metrication Board, currency and tax policies may well as the "current asset" employees are in small firms Metrication Board, currency and tax policies may well as the "current asset" employees are in small firms Metrication Board, current asset imports to fall is encour- management or energy on an and firms tend to start small, Millbank Tower, aging news. But when he sug- ongoing basis.

Knock-for-knock gests that we must look further. The capital investment of As for a "resurgence of small

make "forward cover " uf over-

Walker-Watson 19, Rue Brezin, 75014 Paris.

#### **Prosperous** farmers?

Sir.-John Cherrington states (July 11): "The situation now is that farming is prosperous. Farms now fetch around £2,000 an acre and the Agricultural that reduction of metal content Mortgage Corporation is quoting in the pursuit of lightness could rates of around 131 per cent. Is John Cherrington seriously life span of the car, due to suggesting that a farm buyer on average land can recover £270 The life span of the car is an per acre to cover interest and important factor in "capital" still have enough left to be called "prosperous"? If he is to reduce the car's weight and ignoring land values then he is shorten its life, or to increase putting agriculture in a class of its weight by say 10 per cent to its own; other industries would increase substantially its lon-

Michael Colston. Ewelme Park Farm, Nettlebed, Ozon.

#### Capital costs of energy

From Mr. K. McKenzie

other road transport. I believe K. I. McKenzie. object of the agreement. focused on the "running" Department of Manager Cost in terms of energy, a type Studies, the demise of knock-for-knock of assessment which may be Sheffield City Polytech in relation to payload.

I would suggest that any comparative investigation between vehicles (and drivers) should take into account not only the "running" energy costs, but also the "capital" energy costs. That is to say, not only "How much energy to run this car for 10,000 miles in relation to its payload?", but also "How much energy has been expended in producing this car?"

Parallels between energy management and financial management are evident. As financial managers we must manage our fixed ("capital") assets as well as our current assets; simi-

the full effect of current policy notably the energy employed in stemming the rise in unemploychanges, he makes no reference manufacturing each car, includ- ment," to quote your article, Such a move which looks in materials and components quack remedies for our shotor fleet matagers are far ing the stockpling to which Mr.

From over and it would appear Horshall refers 1

The insurer's objective is 2 with a strong pound and insirer allocation of premitte creased oil prices; now is the this cannot be challenged as time for us to join the EMS.

The insurer's objective is 2 with a strong pound and insirer allocation of premitte creased oil prices; now is the this cannot be challenged as time for us to join the EMS.

The insurer's objective is 2 with a strong pound and insirer allocation of premitte creased oil prices; now is the strong from the primary processes to its finished as state of one ton of assembled state of Emphasis solely on the effi-

cient use of "current" energy may be expected progressively to lead to smaller and lighter cars, in order to improve con-sumption. We would expect this cuss the structuring of lease approach also to provide some rental payments for Court Line pressure towards reducing, for example, the thickness of sheet rentals " were responsible for steel employed, or the weight of the lack of a complete and useon the "capital" energy invest- the case. Step rentals are ment, as well as on "current" analogous to periods of partial

energy consumption. We may also, however, expect also lead to a shortening of the corresion or reduced sturdiness. energy investment; is it better never he termed prosperous gevity, so that fewer cars will be unless they were making a fair sold? We would not expect car manufacturers to pursue willingly a strategy which decreased their output, in terms

of numbers of cars. From the above considera- BankAmeriLease Group, tions, it would seem that the 25, Cannon Street, EC4. question of energy management may be as complex as that of financial management. Evidentily extensive analysis encompassing the above factors, and others, is required. Too much emphasis on miles per Sir.—There is considerable gallon evaluation, without such inferest in the efficient use of analysis, may not lead to the energy in the use of cars and most efficient use of energy.

Department of Management Sheffield City Polylechnic, Pond Street,

#### Small firms and unemployment

From Mr. R. Musgrave Sir,—The current attention and numeracy given to small firms derives largely from fashion rather than logic, and your leading article of July 12 on the subject did need to supply the North Ameri-nothing to spell out whatever can market with metric logic there is in the small firms products. Canada is a long way

For example, the statistic you quote, namely that 66 per cent of new jobs created in America firmed by the Senate in 1978 between 1969 and 1976 were in and the administration has Sir.—The prediction (July 9) must have regard to the by Messrs. Burge and Co's "capital investment" of energy prising. It is very much in line firms with less than 20 em. made it clear that it strongly ployees, is not desperately sur- supports conversion to Economic Adviser that recent required to produce the car, as with two facts: the majority of

into the future when assessing energy would evidently include business being the best hope for to the probability of our adopt- ing machining, pressing and this sort of phraseology goes ing the European Monetary fabrication, and also the energy down well in a political speech, consumed in making the raw as do about a hundred other creasingly imminent will sirely employed. If a particular car economic problems. So far as employs one ton of steel in its hard economic theory goes, I do

# payments

From Mr. S. Evans Int. Sir,-In your issue of July 10

It is implied that "step transmission components. If ful financial picture in the this were to happen, there balance-sheet of Court Line, would be an immediate saving Such almost certainly was not or complete grace in repayment of a loan; they do nothing more than permit a lessee to accommodate a time of reduced-cash flow available to make rent payments, whether at the outset of the lease or further into its term. Such payment structures reflect the lessor's assessment of the lessee's ability ultimately to fully amortise the lease

> obligation. Capitalisation of lease obligations in the balance-sheet of the lessee does present a more complete financial picture, but step rental structures are not related to capitalisation. Stanley A. Evans Jnr.

(Vice-President).

#### The road to metrication

From the Director Metrication

Sir,-Roy Jenkins of Glouces-ter (July 9) is right when he says a French housewife may ask for a "livre" of apples. But although the word is an old one she is in fact buying the metric quantity of 500 grams.

This kind of usage may well develop naturally in the United Kingdom without intervention from the Metrication Board or any other organisation. The Board was set up to facilitate the transition to the metric system so that we get the advantages in industry, technology

I suggest that Mr. Jenkins

very much underestimates the extent to which exporters will down the road to metrication. Appointments to the United States Metric Board were conmetric system.

Jim Humble.

#### **Today's Events** UK -- Power engineers pay talks with Electricity Council.

European Parliament, Strasbourg Capital Transfer Tax, and tattooference on race relations, Congress House, London. (until July 19). International Air Transport

Association meets in Geneva to debate rise in air fares. U.S. auctions 750,000 ounces of gold in Washington.

Milk Marketing Board publishes Mr. John Moore. Department PARLIAMENTARY BUSINESS of Energy Parliamentary Under-Secretary, and Mr. Patrick Gillam. BP trading director, speak at Institute of Purchasing and Supply London conference House of Commons—Emer-gency debate on Shotton steelworks closure. Debate on motion on reducing public services for those who need them most. Northern Ireland Overseas-First session of new Pneumoconiosis, inheritance.

ing of minors. Opposed private business.

Rouse of Lords-Law Reform (Miscellaneous Provisions) Scotland Bill, committee. Education Bill, second reading. Hypnotism Bill, second reading. Debate on Dioxin.

COMPANY RESULTS Final dividends-Allied Colloids. Black Arrow Group. Peter Brotherhood, H.A.T. Group. Heron Motor Group.

(Holdings). Southerns. Oil and Associated Investment Trust. Stroud Riley Drummond. Unigate. Interim dividends: Rerisfords. Bootham Engineers. Glass, Glover Group. Yule Catto. Interim figures: McMullen and Sons.

COMPANY MEETINGS Allied Brewerles, 20, Aldermanbury, EC, 2.30. Churchbury Estates, Connaught Rooms, Great Queen Street, WC, 12.30. Dom Holdings, Great Eastern Hotel, Liverpool Street, EC, 12. Hambros Investment Trust, 41, bread Investment, The Brewery, Robinson Group. Jones, Stroud Chiswell Street, EC, 12.30.

# Hip Hip Hooray, Hip Hip Hooray.



doubly honoured and doubly privileged to announce our second consecutive Queen's Award for Export Achievement.

The awards stand in bold testimony to the hard work by the people of the Pullman Kellogg Division of Pullman Incorporated in the United Kingdom. Work that has led to a substan-

Pullman Kellogg

Engineers of Energy

We at Pullman Kellogg feel

tial increase in exports during 1975, 1976, and 1977. Plants designed and engi-

neered by Kellogg people in the U.K. are located throughout

Europe, the Middle East. and Africa. And much of the equipment and materials exported to the construction sites is procured by Kellogg from British manufacturers with financing assistance by British institutions.

The spirit of cooperation we have in common with our suppliers and our financial institutions has proved itself again.

Pullman Kellogg Limited Kellogg International Corporation The Pullman Kellogg Building, Wembley, Middlesex, HA9 0EE, England

# Rank tops £64m midway HIGHLIGHTS and sees rise for year

PRE-TAX profits up from £57.3m to £64.41m are reported by the Rank Organisation for the 28 weeks ended May 12, 1979. The directors expect the improvement to continue and say pre-tax profit for the year should show an increase over the previous year's £121.9m.

However, the steady progress in the increasing profitability of operations directly controlled by Rank during recent years received a temporary setback in the first half, the directors

say.
Trading profit for the group's own operations amounted to f7.76m, a disappointing result compared with last year's f12.29m, and was mainly due to the severe transport strike. Both the sand manufacturing affected.

Australian Overseas, subsidiary has yet to benefit from its recent acquisitions while profit margins in the television market remain inadequate.

Stated earnings per 25p share are 16.9p against 15.6p. The interim dividend is raised from 4p to 4.8p and the Board says the removal of dividend restraints will enable the total dividend to be considered on the basis of the group's performance rather than on the statutory

At the time of the January rights issue, the directors intended to pay dividend totalling 10.7p for the current The previous total was

The results exclude Butlin's, as usual, and Leisure Caravan SSAP 12 has been adopted and

additional depreciation allowed of £202,000. Comparisons restated to allow ional depreciation

Xerox results are favourably affected by currency movements of about £6.5m. Excluding this factor, underlying growth was 10 per cent. The directors continued to sell properties and sites no longer required for development, realis-

Group, the cameras and photo-

At midway, the surplus was up from £356,000 to £622,000, and

the directors said the television-camera mounting equipment

of the group's principal activities. Direct exports now account for

Westfield Road, Peterborough

England PE3 6TA

against £4.48m.

graphic equipment concern, rose delivery of major contracts to a

from £1.15m to £1.61m in the foreign government. There has

year to March 31, 1979, on also been growth in demand in increased turnover of £6.38m, the range of television camera

gave the opportunity to After tax of £541,195 comfortably exceed last year's (£440,019), earnings per 20p

turnover and profit levels. share are shown to have risen Mr. Michael Brown, chairman, from 8.79p to 13.18p. The net now says this has been a year of final dividend of 2n lifts the

progress, with growth in both total from an adjusted 1.02830 to

68 per cent of turnover. after higher interest of Con.407 Sales of W. Vinten, the (£23,287). Retained surplus

Baker Perkins.

side continued to be buoyant and plant, the chairman adds.



Mr. Harry Smith, chairman of Rank Organisation

the previous year with the but results are now improving London hutels performing parafter a slow stert to the year, ticularly well and the level of The difficulties experienced bookings from everseas remain-

ing high.
Top Rank Clubs traced well overall and catering operations are now benefiting from new rental concessions.

The film studios at Pinewood, after a slow start, are now fully occupied and will remain so beyond the year end

Turnover of Rank Precision Industries was lower at £19.64m against £25.87m but pre-tax profits were sheed at £35.61m compared with £31.08m. An interim dividend of SOp per share is declared absorbing 14m. an increase of 20 per cent on the previous year's interim

payment. Demand for Taylor Hobson products continues at a high level but certain overseus contracts for Pullin Controls nightvision equipment have been delayed.

Rank Toshiba, which commenced trading on November 1. is fulfilling expectations and production is runoing budgeted levels.

Profit margins from marketing ig over £2m. television and audio products Rank Hotels improved over continue to be under pressure

increased to £5.73m through the

Production capabilities have

been increased and up-dated

through substantial investment

in a factory extension and new

2.5p Pre-tax profits were struck

tax of £541,195

mounting equipment.

at the beginning of the year also affected Rank Audio Visual but a recovery is empected by the year end. Acencies for Akai and Rotel products, where profits were unsatisfactor; have been discontinued,

Sales of Wharfedale hisfi speakers are bilinyant and Ronk Film Laboratories are having a very successful year, ; to full capacity, investment has been Fraher

English Numbering Muchines will produce improved results Industries in North America are

steedily improving.

Fre-tax profit of the quoted subridiary, A. Kershaw and Sons. improved from \$1.60m to 12.26m in the 28 weeks, mainly comprising investment income from its substantial holding in Rank Precision Industries (Holdings).

Earnings per share are stated at Cl.Sep against 16,73p and the interim dividend is raised from to 9,6p per share. previous total was 23.07p from pre-tax prefits of \$5.21m.

The group also announces that

it has reached agreement to acquire the capital of D. A. Pilmen. The consideration of \$230,400 will be satisfied by the

issue of 202.450 ordinary shares.

paid should pre-tax profits in the 18-month period to June 30, 1980,

attain £110,000, plus 50 per cent

payable in either shares or cash.

tax of Pitman for the 1978 year

respectively. Net langible assets were £258,000.

Turnover and profits before

£1.085.000 and £64.600

An additional \$47,500 will be

Vinten profit expands to £1.6m urned in excellent results showing a profit increase of over one third above the prior year.

> markets the directors say. Having largely completed the latest capital development programme, the group's Malaysian plant—now producing on target—is providing essential glove supplies to the European and ex-

of any excess profit up to a maximum of £25,000 further consideration, and will be but nevertheless disappointing. by 11.8 per cent. Group sales are up by only 6 per cent: the reason for the small increase is the loss of the citical drugs operation, Pharmax, sold last year. The Indian and Nigerian subsidiaries have been deconsolidated at a loss of £313,009. The French and German subsidiaries (DEPEX and Fraga) have been closed after operating difficulties, at a loss of £380,000. Further losses have resulted from a decline in exports and the problems of converting overseas profits, both because of a stronger pound. The latter problem has been particu-larly true of U.S. profits. The dividend for 1979 remains at its

struck after tax of £42,116 against £38,166. Gress revenue improved by almost £20,000 to £158,048.

Rank Organisation has produced figures which show high half-time profits but this disguises a setback at non-xerox subsidiaries. Rank-Xerox associates have shown good increases. Philips Lamp has finally decided to make a bid for the minority of Pye after considering and rejecting various alternative proposals. Lex also considers yesterday's economic statistics including some trade figures which are not nearly as good, as they look. Elsewhere it was a bad day for Ladbroke which lost its fight to hold onto its casino licences. Lex looks at the considerations for the share price. Elsewhere Associated Leisure has produced good results and comments are made on LRC, Ratners, Crown House and Montague Meyer.

UK COMPANY NEWS

# LRC profit down 11.8%: dividend held

Earnings per 20p share were ahead from 1.47p to 1.72p and the

interim dividend is raised to 1.33p (1.139p) net—payments for 1978

R. H. Lowe

The interim dividend per 25p share is maintained at 1.33p net—

1497,660 pre-tax profit. A one-for-one serip issue is also proposed.

**Rise in new** 

business at

TOTAL new annual premium

income of the Sun Life Assur-

ance Group for the first six

from £14.1m to £17.7m. Single

premiums increased 18 per cent

£13.3m (£10.9m) and single

premium income was 41 per

cent higher at £5.2m (£3.7m).

Individual life assurances and

annuities produced new annual

premium income of £4.4m (£3.5m), up 26 per cent; and

For pensions business, includ-

Sun Life

year's total was 4.355p on

mid term

progress

SALES of LRC International, the home, health care and leisure products group, rose 6 per cent from £93.2m to £98.9m in the year ended March 31, 1979, but pre-tax profits were down 11.8 per cent from £6.57m to £5.88m.

The directors say that £470,000 of the £789,000 downturn was accounted for by the disposal of Pharmax, the move to associate status of the Indian and Nigeria companies no longer consolidated conversion rates on overseas

PROFITS BEFORE tax of Robert H. Lowe and Co., clothing Earnings per share before extraordinary items are stated as manufacturer, progressed from £216,002 to £231,471 for the balf 3.952p against 3.177p. The final dividend is again 1.53p, maintaining the total at 2.228p. year to April 27, 1979, on turnover of £3.27m compared with

When reporting first half pro fits down from £4.13m to £3.32m, the directors said trading conditions in the UK were not so good in the first quarter but picked up in the second quarter and the improvement was continuing.

They now say that UK opera tions were buoyant but export profits, severely affected by the weakness of the dollar and other urrencies, were aggravated by the transport strike and the closure of the docks in the last quarter of the year.

Of the divisional results, the industrial holdings division showed a satisfactory improvement over last year and LRC Products, also in its first year of operation following the re-organisation of divisions, produced UK sales up 21.5 per cent. LRC Overseas was heavily infrom £15.2m to £17.9m. fluenced by profit losses in Iran and Canada (North-America diviing policies for the self-employed, new annual premium sion) had an unsatisfactory first half but showed a good recovery in the second. LRC Europe income was up 22 per cent to

The continuing strength of sterling is posing a serious challenge to the group, particularly in the American and Far East expert

single premiums of £127m (EII.5m), up 10 per cent. The directors say the general increase in new business is encouraging after last year's exceptional growth which was largely due to the effect of the . port markets. Security Pensions Act

## The year-end figures from LRC

International are as expected, 1978 level of 2.228p, just barely covered. The p/e is 8.5 at 27 p. while the yield is 12.2 per cent.

#### Leda Trust up mid-year

Revenue of Leda Investment Frust advanced from 173,056 to

# Assoc. Leisure ends year 42% ahead at £4.97m

TAXABLE profits of Associated Leisure finished the 53 weeks to-March 18, 1979 ahead by 42 per cent at a record £4.97m, against: £3.49m for the previous year, Turnover rose 33 per cent from. 521.89m to £29.12m.

At the interim stage the directors said that although is cent acquisitions had a seasonal profits were up from £1.69m to
£2.85m—they were confident that
progress would continue for the
rest of the year.

They now say that all divisions contributed to the improved result for the full period. Earnings are shown as 12.00p (9.95p) per 5p share and the dividend is stepped up to 6.25p. (3.01855p) net with a 2.75p final.

Turnover Amusemt, mach. elsufe centres. etc. centres, etc.

The increased payouts in the Lido at Cliftonville.

Amusement with Prizes (A.W.P.) Berwick holiday centre. Amusement with Prizes (A.W.P.) Berwick holiday centre.

machines which took effect from

The trading performance of the figures this year will by a
February 20 1978, proved to be group's hotels exceeded expectations as tagnate. The company
beneficial both to customers and tions and confirms the directors' shares have caught the eyes
to the group's hiring companies, belief that the division will protect the institutions of late and will inventory of sited machines, growth for the future. directors state.

Associated Leisure Sales' turn • comment over in the year was a record and. The latest figures from profits showed a healthy increase. Associated Leisure may take the over last year, they add. benefit from an extra trading.

## DIVIDENDS ANNOUNCED

		· Tosta.	Corre-	Total	Ţo
	Tree-cart	OF.	sannaine	101	- '16
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rview KDT. 200 IIII	**	Aug. 13	0.69	25	10
inint	g 0:54	Aug. 20	0.45	<u> </u>	-Ţ

Dividends shown pence per share net except where otherwise stated.

+ Equivalent after allowing for scrip issue. 1 On capital increased by rights and/or acquisition issues. 1 Malaysian cents.

Trading profit of the entertainments division advanced substan-tially in the period with particularly good results being achieved by the amusement arcades; the Dreamland complex at Margate; the Lido at Cliftonville, and the

to the group's hiring companies, belief that the division will pro-and led to further growth in the vide an important source of profit

Incorporating the new microelectronics technology in its equipment, they say that Associated Leisure Games is now an important source of supply of amusement machines to group amusement machines to group amusement machines to group amusement machines and to external companies and to external assignificant boost to demand for a significant boost to demand for a significant consideration to use machines to group amusement machines. This gave a significant boost to demand for a significant boost to demand significant boost to demand significant new machines capable of the revised payout and a sharp limit to rental levels. The progress of last year is perhaps inflate but the new generation of thic processor machines should a extra very profitable life in amusement machines and th ne insurutions of late and with a p/e of 8 and yield of 63 per cent at 100p there is still something to aim for. Another addition to the hotel chain seems likely this week adding to this fast-developing side of

£85.894. Interim. dividend costs

REED INTERNL.

On October 15, Reed International intends to prepay a

102 per cent, bonds representing

This is the balance of it

1968/83 European Units of Account loan outstanding after

the normal 1979 redemption of

4m European Units of Accoun

£18,018 (£9,485)

# Meggitt down at six months

annual meeting, Meggirt Holdings, machine tool distributor, reports reduced profits for the half year to April 30, 1979. On-increased turnover of £3.91m against £2.53m, pre-tax surplis fell from £181,113 to £152,008. In March, Mr. J. D. Tyler, the

chairman, referring to the haulage strike and bad weather. said the company had suffered some shortages and in-consequence had worked at slower levels than targeted for, and had fallen behind with deliveries. However, this situation was improving fairly rapidly and the outlook for the year as a whore remained bright.

He now reports that the merchanting division has reached a new high level of sales and

NatWest Registrars Department

Barker & Dobson

**Group Limited** 

correspondence should in future be sent to:

National Westminster Bank Limited has

been appointed Registrar of

All documents for registration and

National Westminster Bank Limited

Registrar's Department

Telephone Bristol (STD Code 0272)

Other matters 297144

Register enquiries 290711

PO Box No 82

37 Broad Street

Bristol BS997NH

profitability but, on the manufacturing side, planned output has not been achieved and the Board is taking steps to correct

Both divisions, however, have good order books. Half-yearly earnings per 5p share dropped from 2p to 1.7p, but the interim dividend is lifted to 0.42p (0.2211p) net-

last year's total was 0.6406p on £478,000 taxable profit. Profits after tax for six months

were lower at £71,924 against

(£4.5m).

## STONEHILL HOLDINGS

#### LIMITED

#### Highlights from the Accounts for 52 weeks to 1st April 1979

	1979	1978
	£000	£000
Turnover	17,871	12,090
Trading Profit	1,810	1.011
Taxation	531	502
Profit Available for Distribution	1,279	509
Profit Retained .	933	238
Earnings per Ordinary Share	22-84p	9 10p
Dividends per Ordinary Share	8 00p	6 00p

In addition to 33% per cent ordinary dividend increase shareholders are to receive 18% per cent income boost through preference bonus issue.

 Cutrent order book is at a substantially higher level than at this time last year and, subject to legislation and other circumstances beyond our control; we anticipate another year of successful trading.

 To meet increased demand, an additional factory has been acquired and over £800,000 spent on plant, transport and

The Secretary, Lea Valley Trading Estate, Angel Road, London N183LD

# Alexanders

INTERIM STATEMENT Half year ended 30th June 1979



The recent sharp rise in interest-rates has resulted in a depreciation in the value of our assets and the six months period to 30th June, 1979, has been unprofitable.

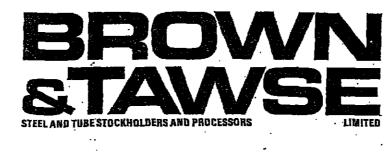
An interim dividend of 45p per share (£220,035) on the £4,889,658 Issued Ordinary Capital is declared; 11978 4.5p £218,775 Capital £4,861,658). This, together with the associated tax credit, represents a distribution of 6.4286p per share (£314.335).

The Dividend will be paid on 10th August, 1979, to those shareholders registered on 19th July, 1979.

1 St. Swithin's Lane, London EC4N 6DN

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornbill, London EC3V 3PB. Tel.: 01 623 6314. Index Guide as at July 12, 1979 Capital Fixed Interest Portfolio





# 10 years of uninterrupted growth

Mr. S. Douglas Rae, Chairman, reports the tenth successive year of increases in profits and sales. Points from his Statement circulated with the accounts for the year ended 31st March 1979:

★ Group sales up 17% to £49,716,000

★ Profit before tax up 15% to £3,810,000

★ Dividends up 19% to 5.8p per share

★ "We are determined to produce another year of healthy profits... I feel confident in the outcome".

First half

Increase

at Wearra

FOR THE six months to March

31, 1979 Wearra Group, footwear

First half profit was struck on turnover of £4.13m (£3.41m) and

was after interest of £37,000 (£11,000). Tax for the period took £9,000 (same).

The net interim dividend is

Dewhurst &

rises midway

On turnover just ahead from

£1.91m to £2.08m, pre-tax profits of Dewhurst and Partner, elec-

tric control equipment manufac-turer, advanced from £127,600 to

£173,280 for the half year ended

After tax of £90,100 against a previous £66,350, earnings are shown as 1.16p (0.85p) per 10p

share. The net interim dividend is increased from 0.275p to 0.32p

-last year's final was 0.642p paid

from record profits of £229,045.

Commercial Bk.

Results of the Commercial

Bank of the Near East for the

first six months of 1979 show an

improvement compared with

those for the same period last

And the directors say present

indications are that profits for

the full year will be at least as

good as the previous year, when a £143,000 (£93,000) net profit

was reported.

of Near East

Partner -

April 1, 1979.

# Ratners expansion to £2.56m: UK sales up

ith £15.8m. Sales in the UK were 20 per

ant higher at £18.48m net of AT, against £18.38m and targins which suffered bally as year have recovered to their ist year have recovered to their numer levels, the directors say. A year's good trading and amination of dividend controls ave given the opportunity of icreasing the dividend to a love realistic level. The final ayment is 1.925p effectively fting the total from 0.42639p to 7.625p. A further one-for-two rip issue is also proposed. rip issue is also preposed.

At the time of last September's lights issue, the directors were specting to pay a total dividend.

The directors say that in the correct year, sales have got off he very good start and although is too early to make a forecast, sey are confident about the utcome for the current year. In 1978-79, there was a surplus n property transactions of 751,477 before tax. Excluding xtraordinary items, earnings er share are shown at 12:18p

gainst 7.51p.
The surplus was entirely from
the proceeds of favourable sale
and lease-back arrangements on
hops occupied by the group. Six ranches were opened during the ear and since the year-end, yen shops were acquired. Several units are in advanced tages of negotiation and the loard plans that by Christmas, 26 branches will be fully 1978-79 1977-78

| 1978-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977-78 | 1977

Since the start of the current ear sales have increased 33 per ent and the directors therefore ave grounds for expecting an nprovement.

Once again the manufacturing ubsidiary, Jadaies, has kept up oith the ever-growing pace of emand set by the retail usiness. Mondaies, the wholealing subsidiary continues to upply all the stock required.

In the opinion of directors, the parket value of the group's easehold and freehold properties acceds book value by £3.5m-his surplus has not been brought

**comment** 

om £1.59m to £2.56m is the per cent increase in the year to ear ended April 6, 1979 on February. The 20 per cent rise igher sales of £19.31m compared in group turnover reflects solid ith £15.8m.

UK sales and a successful programme of expansion and rationalisation. Ratners plans to have alisation Ratners plans to have 126 branches operating by Christmas. The group's Dutch operations suffered from a hard winter and a lagging economy, but sales are up 33 per cent since the start of the current year. The fluctuation of gold prices will probably not affect Rathers much since most sales are in lightweight is wellery. Rainers has buosted its final dividend for 1979 up to 40 an increase of more

up to 4p, an increase of more than 500 per-cent over last year, with a cover of more than three. The yield is 3.7 per cent at 109p and the p/e is 8.8. The successful management and expanded opera-tions make the Ratners share an

## loss for G. B. Kent

G. B. Kent and Sons, brush maker, incurred a tamble loss of £57,877 in 1978, compared with a £21.312 profit last time. Turnover was marginally shead at £1.42m, against £1.37m. There

is a tax credit of £14,081, com-pared with a £12,936 charge, A dividend of 3.5 per cent was paid on preference shares on March 31, but there was no participating element. There is again no payment on ordinary

The ublishage holding company is Cosby Hyglenic Refillable Hairbrush.

#### W. Williams foundry orders reasonable

While the UK foundry trade generally was still depressed, the three foundry companies of W. Williams and Sons (Holdings) were fairly buoyant with reasonable order books, Mr. Hiram H. Williams, chairman, said at the annual meeting. This was the result of the longer-term; strategy in the choice of markets adopted some

The anticipated turnround in one of the loss making foundries was taking longer than expected, he said. But steps were being COMMENT CENT CENT CENT IN PROF. PROBLED by the Verrend

# Meyer upsurge in second half

The group was nearing com-pletion of an extra building to expand the fabricating facilities of the heavy machine shop. This was likely to come on full A SECOND half rise from £5.48m to £7.49m lifted taxable profits of Montague L. Meyer, timber merchant, to a record £15.45m for the March 31, 1979 year, against stream by the year end and the work forecast for the section

The directors say the current year has stanted better than last time, and this improvement should continue. June turnover has been a record, they add.

Turnover for 1978/79 rose from \$247m to \$277m

Turnover for 1978/79 rose from £247m to £277m.

After a low tax charge, £1.97m compared with a previous £5.66m, earnings are stated as being well up at 23.3p (12.7p) per 25p share. Based on a 52 per cent charge they are shown as 12.6p (10.7p). The dividend is increased to 5.75p (4.67311p) net with a final payment of 3.75p.

The directors say there were 31, 1979 Wearra Group, footwear manufacturer and distributor, reports pre-tax profits ahead from £178,000 to £222,000. The directors state that they are bopeful that the first half progress will be maintained. Profit for the last full year was £441,000. The directors say there were better contributions from most

UK activities, particularly manu-1978-79 1977-78 

stepped up from 0.447p to 0.537p. Last year's final payment was 1.012p. comment

> A look at the rate of interest and tax paid by Montagu L. Meyer indicates a substantial upturn in softwood import and selling prices. The full impact of softwood price inflation has been masked, of course, by sterling's strength against the Swedish kroner (against which imports from the USSR are pegged) and parity considera-tions have been more marked since the end of the financial year. The rise in interest payments, however, largely reflects the build-up in stock levels after deliveries had been postponed during the January and February transport strike (which probably chopped profits by some £1m pre-tax) and Meyer will be looking to clip year-end gearing of 78 per cent to a more normal 70 per cent. Interest rates are clearly going to make an impact this year on a business which must finance its inventories on short term, variable rate borrowings but the Hallam associate

> should be breaking even this time after a loss of £455,000 and, more importantly, Meyer and other timber majors will again show the industry's reducing volatility through greater exposure to the consumer in the DIY market. Funding considerations apparently dictate a twicecovered dividend on a CCA basis but the yield of 9.1 per cent at 95p, up 1p yesterday, offers

#### BOARD REETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interiors or finels and the sub-divisions shown below are based mainly on last year's timetable.

Interims—Benisfords, Bootham Engineers, Glass Glover, Meldrum Invostment Trust, Yule Carno.
Finals—Allied Colloids, Birmingham Mint, Black Arrow, Peter Brotherhood, H.A.T., Heron Motor, Hogg Robinson, Magnet and Southerns, Oil and Associated Investment Trust, Stroud Riley Drummond, Trafford Carpets, Unigate. TODAY FUTURE DATES

	Birmid Qualcast Bullough Howard Machinery London and Lomond Invat. Tst.	VIUL VIUL	28 23 15
	Mixconcrete Rock Derham Finals—	July	23
1	Bellhaven Brewery	July	26
	Provincial Cities Trust	July July	20 19
	South Crofty	July Aug.	26
	Stirling Knitting Tomkins (F. H.) Wintrust	July	19
		_	_

reasonable support which strengthened by a p/e of 7.2, falling perhaps to 6.1 on prospective profits of £18.3m.

#### Deanson iust ahead halfway

The directors of Deanson (Holdings), printer and stationer, report pre-tax profits of £124,000 for the half year ended March 31, 1979, against £115.000.

Despite fears about current economic conditions, they are bopeful profits for the full period reach the £202,346 for 1977-78.

First half turnover rose from £1.86m to £2.34m and pre-tax figure was subject to tax of £84,000 compared with £59,000. Last year the company paid a 2,34p net dividend.

As part of the group's current reorganisation programme in the print division, the directors have authorised some £350,000 of capital expenditure on equipment. It is hoped this will be in use early next year.

#### **OUTWICH REPAYS**

Of its \$2.5m loan, Outwich Investment Trust is repaying

Time **Products** Limited

The annual report

may be obtained from the company at

81/89 Farringdon Road, London, EC1M 3LH,

ending 31 st January	1979	1978	
	£ thousands		
Sales	31,938	24,934	
Trading profit before taxation	4,904	3,871	
Total funds employed	19,568	14,175	
Earnings (net) per share	30.64p	27.52p	
		_	

· Last year we increased our profits by over £1 million for the first time.

 Trading this year is at a most satisfactory level. We view the future with optimism.

Marcus J. Margulies, Chairman.

#### **EUROBONDS**

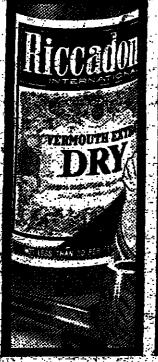
The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979:

> August October 15 September November 12 December

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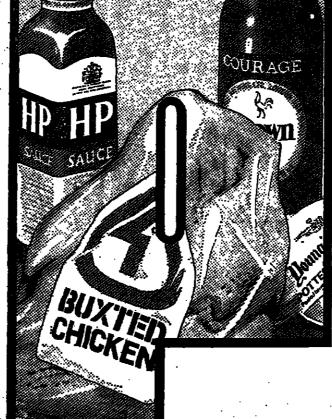
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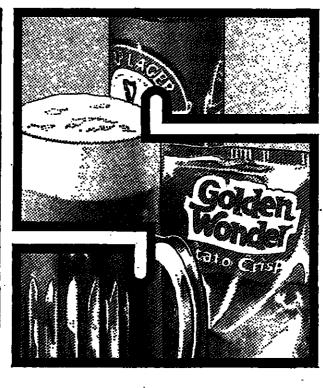
# nterim Results











#### Statement by the Chairman — Sir John Pile Half Year to 30th April 1979

The Company's consolidated accounts for the half year, compared with the same six months of 1978; show that:

Group trading surplus was £77.3 mm., an increase of £12.8 mm. (19.8%); Group profit before tax was £68 mn., an increase of £9 mn. (15.2%); Group profit after tax was £54.8 mm., an increase of £6.5 mm. (13.4%).

While all Divisions produced better results it is the improved performance of our Tobacco and Food Divisions which largely accounts for the increase in trading surplus before interest over that of the depressed first half of last year It would have been even better but for poor weather in the winter and spring, and for industrial disputes outside the Group, the effects of which were felt both in the continuity of output and in the pattern of

consumer spending.
The £77.3 mo. trading surplus is an historical cost figure. To assess the effect on it of inflation, we have calculated the consequences of higher depreciation charges and the cost of sales adjustment. Our estimates show that the former would be about £22 mm (1978,£17 mm) while the latter would be about £13 mm (1978, £14 mm). Together these two factors would represent about £35 mn. (45%) out of the trading suplus of £77 nm, compared with £31 nm, (48%) out of a surplus of £64 nm, in the first half of 1978.

In March, the Company sold its nemaining holding of ordinary shares in B.A.T. Industries Ltd. The net profit on this sale is reflected in the increase in extraordinary items of £108 mm, and in attributable profits of £115 mn.

Divisional Review Our TOBACCO DIVISION improved its

profitability despite strong competitive. activity in the cigarette market, the dominant feature of which continued to be the growth in sales of king size brands at the expense of small sizes of cigarettes. With the well received launch in January of Lambert & Butler King Size, the Division added a significant newcomer to its portfolio of

successful brands in this sector.
In the PAPER, BOARD,
PACKAGING AND PLASTICS DIVISION, demand for cigarette papers ran, at a high level, and towards the end of the period our plastics interests experienced a significant upsurge in demand. Our board-making company traded at a loss throughout the half year but measures to restore it to profitability are well advanced. Mardon Packaging International Ltd., our associated company, again increased its

The FOOD DIVISION's results showed a substantial improvement over the depressed first half of the previous year. The severe winter and the road haulage dispute

affected operations in different ways; output was curtailed in several factories, but demand for processed foods increased as a result of the scarcity and high price of fresh vegetables. In the U.K. broiler market, prices strengthened towards the end of the period but the egg market remained weak. Our poultry interests in the U.S.A., however, had a successful half year.

Despite difficult trading conditions, the BREWERY DIVISION increased its volume sales and trading surplus. Its position in the expanding lager market was strengthened by the national introduction of Hofmeister, and its presence in the off-licence trade was extended through the acquisition of Roberts & Son (Worthing) Ltd. Construction of the Berkshire Brewery approached the final stages of completion with packaging aheady in operation.

Year to 31st October 1979

The June Budget was, I believe, a bold step towards the long-overdue strengthening of the U.K. economy from which the Company, with its broad spread of consumer-oriented businesses, stands to gain. The Company's results for the year as a whole, however, are influenced not only by the immediate impact of the Budget but by other factors such as

energy and raw material costs, the national industrial relations climate, and developments in the highly competitive markets in which we operate. Taking them all into account, I nevertheless expect our profits before tax to show an uplift on those

Interim Dividend In order to reduce the disparity between the rate of the interim dividend and that of the final dividend, the Directors have decided this year to declare an interim dividend of 2.75p per share (1978, 2.25p). Warrants will be dated 31st October 1979 and will be posted to those shareholders who are registered in the books of the Company at the close of business on 1st October 1979. The dividend will absorb £19.5 mn. compared with £15.9 mn. last year. This increase is being made only to reduce the difference between the size of the interim and that of the final dividend. It holds no implication for the total dividend rate for the Summary of Consolidated Results

£million .	Helf Year to 30th April 1978	Halfyeer to 30th April 1978
Total externel sales	1,854.9	1,712.4
Composition of Group tracing surpli	<b>15</b> .→	
Tobacco	39.9	32.2
Paper, Board, Packaging & Plasti	rs 7,3	7.2
Food .	12.8	8.8
Brewery	17.4	16.5
Effect of foreign currency chang	s (0.1)	(0.2)
Group Trading Surplus (after charging depreciation of £20.1 million (1978£17.7 million	 77.3	64.5
Group trading surplus—as above	77.3	64.5
Exterest cherces	121.45	(17.6)
	<del></del>	
Group tracing surplus after interest	55.9	46.9
investment income	12.7 .	12.1
Group Profit Before Taxasion	68.B	59.0
Texation .	(13.2)	(10.7)
	(102)	
Group profit after texation	54.8	48.3
Winotity interests	(0,2)	(0.1)
· <u>-</u>	- 54.6	48.2
Extraordinary Berns	119.5	11 1
Constant years	113.3	
Group Profit Attributable to The		
Perent Company	174.1	59.3
Tandania ka		•
Earnings per stere (excluding extraordinary items)		
before taxation	9.5p	8.3p

Imperial Group products include tobacco goods from W.D. & H.D. Wills, John Player and Sons and Ogden's, Ross Foods, Buxted Poultry, Golden Wonder Crisps, Smedley-HP Foods, Young's Sectoods; Courage and John Smith's Bears.



# Sociétés de Développement Régional

Société de Développement Régional du Centre-Est CENTREST Société de Développement Régional du Sud-Est Société Alsacienne de Développement et d'Expansion SADE Société de Développement Régional du Nord et du Pas-de-Calais Société de Développement Régional de la Bretagne Société de Développement Régional Méditerranée Société de Développement Régional de Champagne-Ardenne CHAMPEX Société de Développement Régional de Normandie Société pour le Développement Economique du Centre et du Centre-Ouest SODECCO LORDEX SDR de Lorraine Société de Développement Régional de Picardie Société de Développement Régional du Sud-Ouest EXPANSO SDR Société de Développement Régional du Languedoc-Roussillon SODLER

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8 1/2 1/4 Bonds due June 27, 1994

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BANQUE DE PARIS ET DES PAYS-BAS

BAYERISCHE HYPOTHEKEN- UND WECHSEL-BANK AKTIENGESELLSCHAFT

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CRÉDIT INDUSTRIEL ET COMMERCIAL

GIROZENTRALE UND BANK DER OESTERREICHISCHEN SPARKASSEN

AKTIENGESELLSCHAFT

KUWAIT INTERNATIONAL INVESTMENT CO. s.a.k.

SOCIÉTÉ GÉNÉRALE

SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.

WESTDEUTSCHE LANDESBANK GIROZENTRALE

## The Long-Term Credit Bank of Japan Finance N.V.

U.S. \$ 50,000,000

**GUARANTEED FLOATING RATE NOTES DUE 1989** 

Unconditionally guaranteed as to payment of principal and interest by

#### The Long-Term Credit Bank of Japan, Limited

(Kabushiki Kaisha Nippon Chaki Shinya Ginka) (A Japanese Corporation)

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A.E. Ames & Co. Limite -Rotterdom Bank N.V. Andelsbanken A/S Danebar Andresens Bank A.S.

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Banque de Paris et des Pays-Bos Banque Populaire Suisse S.A. Luxembourg Banque Privec S.A. Banque Rothschild Banque de l'Union Européenne

Baring Brothers & Co., Limited Rayerische Landesbank Girozentrala Bayerische Vereinsbank Bergen Bank Berliner Handels-, und Frankfurter Bank, Blyth Eastman Dillon & Co.

International Limited Coisse Centrale des Banques Populaires Coisse des Dépôts et Consignations Centrale Rabobank Chemical Bank International Group Christiania Bank Og Kreditkasse Citicorp International Group Clariden Bank 1

Continental Illinois Limited Capenhagen Handelsbank County Bank Limited Crédit Agricole

Crédit Commercial de France Crédit Industriel et Commercial Crédit Industriel d'Alsace et de Lorraine

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Nippon European Bank S.A. Dai-Ichi Kangyo Bank Nederland N.V. Dai-Ichi Securities Co., Ltd. Daiwa Europe N.V. Richard Daus & Co. Bankiers Den Danske Bank af 1871 Aktieselskab Den norske Creditbank Deutsche Girozentrale
-Deutsche Kommunalbank Dewaay & Associés International Société Anonyme The Development Bank of Singapore Limited Development Finance Corporation of New Zealand DG BANK Deutsche Genossenscho Dillon, Read Overseas Corporation Dresdner Bank Aktiengeselischaft m Lambert Incorporated

Drexel Burnham Lambe E.F. Hutton & Co. N.V Effectenbank-Warburg Aktienge Euromobiliare S.p.A. European Banking Company Limited First Chicago Limited Robert Fleming & Co. Limited
Fuji International Finance Limited
Gefina International Ltd.
Genossenschaftliche Zentralbank A.G.

Vienna Antony Gibbs Holdings Ltd. Girozentrale und Bank der Österreichis-chen Sparkossen Aktiongesellschaft Goldman Sachs International Corp. Greenshields incorporated Hambras Bank Limited
Handelsbank N.W. (Overseas) Limited 18J International Limited Israel Discount Bank Ltd. Istituto Bancario San Paolo di Torino Jardine Fleming & Company Limited Kansallis-Osake-Pankki

Kidder, Peabody International Limited Kleinwort, Benson Limited Kredietbank N.V. Kuhn Loeb Lehman Brothers Asia Landesbank Rheinland-Pfalz und Saar International S.A. Lazard Brothers & Co., Limited Lazard Frères et Cie

McLeod Young Weir International Limited Lloyds Bank International Limited London & Continental Bankers Limited
LTCB Asia Limited Merrill Lynch International & Co. Mitsubishi Bank (Europe) S.A.

Mitsui Finance Europe Limited Samuel Montagu & Co. Limited Morgan Grenfell & Co. Limited Morgan Stanley International Limited Nederlandsche Middenstandsbank N.V. Nesbitt, Thomson Limited The Nikko (Luxembourg) S.A. Nippon Kangyo Kakumaru (Europe) Limita Nomura Europe N.V. tsche Landesbank Girozentrale Sal, Opponheim Jr. & Cie Orion Bank Limited Osakaya Securities Co., Ltd. Österreichische Länderbank. Aktiengesellschaft
Paine Webber Jackson & Curtis

Securities Limited Pierson, Heldring & Pierson N.V. Privatbanken Aktieselskob N.M. Rothschild & Sons Limited Rothschild Bank AG Sachan Merchant Banking Corporation Salomon Brothers International Sanwa Bank (Underwriters) Limited Sanyo Securities Co., Ltd. Scandinavian Bank Limited
J. Henry Schroder Wagg.& Co. Limited
Skandinaviska Enskilda Banken

N,V. Slavenburg's Bank Smith Barney, Flarris Upham & Co. Société Bancaire Barelays (Suisse) S.A. Société Centrale de Banque Société Générale Société Générale de Banque S.A. Société Privée de Gestion Financière

et Foncière Société Séguanoise de Banque Strauss, Tumbull & Co. Sumitomo Finance International Taiyo Kobo Finance Hongkong Limited Tokoi Kyowa Morgan Grenfell Limited Trade Development Bank (Landon Branch) Tradition International S.A. Trinkous & Burkhart

Uban-Arab Japanese Finance Limited Union Bank of Finland Ltd. Union de Banques Arabes et Françaises . U.B.A.F. United Overseas Bank Limited, Singapor Vereins- und Westbank Aktiengesilschaft

J. Vontobel & Co. Wardley Limited Williams, Glyn & Co. Dean Witter Reynolds International Wood Gundy Limited Yamaichi International (Nederland) N.V.

## MINING NEWS

# ERPM & Durban WADHAM still struggle

BY KENNETH MARSTON, MINING EDITOR

DESPITE the higher gold prices according to an announcement received in the June quarter, the from Paris.
Rand Mines group's veteran East
The dec Rand Proprietary (ERPM) gold mine made an operating loss on bility studies. Mokta, a subthe period and was again obliged to call upon State assistance. The to cast upon state assistance. The or mining and industrial figures other veteran mine. Durban in the region and these have been, made a small profit but been grouped together into a also remained on the receiving new company called Mira-Serra.

end of State aid. end of State and.

During the past quarter ERPM received an average gold price of R7.050 per kilogramme, equal to \$259 per ounce. Costs edged up to R7.301, or \$268 per ounce, in the face of a modest increase in the face of a modest increase

in gold production. ERPM, however, suffered to some extent from an under-ground fire and the mine expects that its ore milling rate will improve continuously during the current half year. For Durban Deep, the June quarter's gold price averaged R7,082 per kilogramme, or \$260 per ounce, while costs amounted to R6,598, or \$242.

Both mines are thus on a knife-edge as far as this quarter's earnings are concerned. The current bullion price is over scarce and if the average for the quarter is anywhere approaching this level the two mines should produce a sharp jump in profits. On the other hand, they are not going to make much progress if general expectations of a com-ing setback in the bullion price

borne out. Of the other mines in the group, Blyvoor usefully lifted its gold earnings in the June quarter thanks to a higher price of R7,113, or \$262, but much of the benefit was lost by a fall in the unpredictable level of

uranium income. Harmony was similarly affected. However, all the mines have done better on balance in the past quarter as the following table of net profits shows.

#### MOKTA EXPLOITS BRAZILIAN TALC

Mokta, the French mining roup is to spend Sim (£448,650) exploiting tale deposits in the Brazilian state of Minas Gerais,

The decision follows this completion of favourable feasi-

#### Pahang search by CRA unit

Conzinc Riotinto Malaysia, subsidiary of Conzine Rictisto of Australia is to start drilling this week in the Pahang Tenggara area in Pahang State to test for lead, copper, gold and other

minerals, reports Wong Sulong from Kuala Lumpur.

The tests are preliminary surveys and it is expected that, six holes of 1,000 feet deep will be drilled over five square miles in the Chini district of Pahang Tenggara.

Tenggara.

The tests will cost M\$500,000 (£105,000) and should be completed before the monsoon begins in November. If the results prove encouraging further tests will be conducted next year.

A spokesman of Consider Riotinto Malaysia said that although the commonly had earlier disthe company had earlier dis-covered mineralisation, possibly of lead, copper and molybdecum in the China area. It was still uncertain of what it would find

The company has an agreement with the Phang Tenggara Development Authority giving it mineral exploration rights over a large area of the 500,000 acre? Pahang Tenggara lend development scheme.

MINING BRIEFS

June 27 May 30 (Figs. in tonnes) 15,879 15,45

Copper concentrate 2,050 1,535

Fyrits concentrate 626 195

KINTA KELLAS TIN- Openat of tin-ope for June 25,02 tonnes. (May. 29,63

MOUNT ISA MINES Production for the period June 4 to July 1. Lead are treated 184,635 tonnes produced 11,650 tonnes crude lead and 15,502 tonnes princ concentrates; Copper on treated 223,682 tonnes produced 18,290 tonnes blister copper.

respect of some 92.2 per cent of the 495,360 ordinary shares offered.

Holt Lloyd International's rights has been accepted as to

over 90 per cent of the offer.

Customer's

claim against

**Baker Perkins** 

Baker Perkins, the engineering roup, reveals, in its annual

been made for certain costs associated with the claim and

Mr. J. F. M. Braithwaite, the

group managing director, said yesterday that the claim was not

which prevailed in most parts of

The annual general meeting

will be held at the Dorchester Hotel, W, August 9, at 11.45 am.

Unigate, the food and engineer-ing group asked for its shares

to be suspended yesterday ahead

of an announcement which is to

be made today. At the same time the group will announce its preliminary results for the year

The suspension price of 82p

capitalised the group at £165m.
There was wide speculation in

the stock market about the reason for the suspension. A

merger, a capital reconstruction,

or, possibly, a bid were men-tioned but there was no firm view on what Unigate was likely

Unigate asks

for share

suspension

ended March 31, 1979

to unveil today.

progress."

#### **Hampton Trust** recovery continues

The midway recovery, when a turnround from a loss of £10,243 to a profit of £3,530 was reported, continued throughout the year to March 31, 1979, at Hampton Trust and the company finished with a pre-tax profit of £52,381, compared with a deficit of £11,094

Full-year earnings per 5p share are 0.46p (0.12p loss) and again

Tumover 57,100 347,809
Trading profit 84,545 23,416
Interest payable 32,164 34,510
Profit before tax 52,381 \*11,094
Extraordingre level 1,094
Extraordingre level 1,094

Tax 1,0 Tax
Extraordinary loss .....
Loss.

The balance from trading is after rental income of £115,981 counterclaim, and the directors (£83,539), interest receivable do not expect this provision to £20,043 (£9,945), loss on sale of be exceeded. investments £2,330 (£3,400 profit) and profit on sale of investment properties £30,381 (nil).

The trading profit is after a loss of £9,768 (£13,352) incurred by the housebuilding subsidiary. causing the group any concern.
In his statement to the
accounts, which show pre-tax profits improved from 58.9m to 59.86m for the year to March 31, 1979, Mr. I. H. G. Gilbert, chairman, said the performance Only two houses remain to be completed and sold.

At March 31 1979 the company repaid all its outstanding 4 per cent secured loan stock. Since had been achieved despite-generally depressed conditions the year end, it has raised approximately £380,000 through a the world. For the third consecutive year a return of over rights issue.

The group's net assets at March 31, amounted to £1,007,106 20 per cent on capital employed has been achieved by the group."
On prospects, he expects the (£954,725) and have been subsequently increased by the net profirst half to September 30, 1979, to show approximately the same ceeds of the rights. result as last time. "For the year as a whole, and assuming another breakeven result from our European associate, I am looking forward to a further improvement in profit and a continuation of our record of

#### Lightning **Fasteners**

Lightning Fastners, a subsidiary of IMI and a member of the Lightning-Opti zip manufacturing group, intends to modernise and rationalise its manufacturing resources.

The plans include concentra-tion at its factories at Peterlee. Co. Durham and Cleator Moor. Cumbria. There will be a phased run-down over at least 14 years of zip fastener making at Witton, The group employs 700 people in Birmingham, 180 of whom are in the die-casting and zip fastener components operation.

As many as possible of the employees affected will be offered alternative jobs and none will be given notice for several months.

#### LAURENCE PRUST CLOSING BRANCH IN KUALA LUMPUR

London stockbroker Laurence Prust is to close down its branch ffice in Kuala Lumpur as from the end of September. Laurence Prust is the only foreign broker established there.

When Laurence Prust set up in Kuala Lumpur in 1974 it was on the understanding that it would eventually transform its operation into a minority holding in a local broking company. A maximum 33 per cent foreign ownership is permitted for broker and dealers but according to the Kuala Lumpur branch manager, Mr. Martin Craven, Laurence Prust had not been able to effect such

#### RIGHTS ISSUE **SUCCESSES**

MOTOR CARS

ROLLS-ROYCE



Official Distributors for Rolls-Royce and Bentley

## H.A.FOX 34 Dover Street, Landon, Tel. 01-499 8962

1978 June Rolls-Royce Silver Shadow Salona Caribbean Blue, Magnolia leather. Speedometer reading 8,800 miles. 1977 May Rolls-Royce Silver Shadow II Salson. Brewster Green, Tan leather: Speedometer residing 1977 May Rolls-Royce Silver Shadow II Saloon.
Scots Pine, Fawn Parkertex upholstery. Speedometer reading 9 700 miles reading 9,700 miles. 1976 Aug. Rolls-Royce Silver Shadow Saloon. Regency Bronze. Dark Brown leather. Speedometer reading

24,000 miles. 1976 Aug. Rolls-Royce Silver Shadow Seychelles Blue, Beige leather. Speedometer 1976 Jan. Rolls-Royce Silver Shadow Saloon Walnut. Beige leather Speedometer reading 43,000 miles.

1976 Feb. Rolls-Royce Silver Shadew Saloon Pewint, Green leather. Speedometer reading 39,500 miles. 1975 Feb. Rolls-Royce Corniche Saloon. Moorisad. Beige leather. Speedometer reading 4,800 miles.

1973 May Rolls-Royce Silver Shadow Saloon. Black over Walnut, Black leather, electric sliding sunroof, Speedometer reading 38,600 miles.

18,330
1973 May Rolls-Royce Silver Shadow Saloon. Alpine Grey, Beige leather. Speedometer reading 66,000 1973 Feb. Rolls-Royce Corniche Convertible. Silver Chalice, Red leather. Speedometer reading

1973 Jan. Rolls-Royce Silver Shadow Saleon. 1973 Jan. Rolls-Royce Silver Shadow Salver leather. Speedometer reading 45,000 miles. 518,450 1972 June Rolls-Royce Silver Shadow Salvon. Coffee Bean Brown, Magnolia leather. Speedometer reading 25,000 miles. 1972 June Rolls-Royce Silver Shadow Saloen Seychelles Blue, Beige leather, Speedometer reading 25,000 miles.

1971 Feb. Rolls-Royce Silver Shadow Saloon: Tudo Grey, Beige leather. Speedometer reading 22,500 miles

GUILDFORD Woodbridge Road, Guildford, Surrey. Tel. 89231. The 859255 Woodbridge Road, Guadron, Surrey. Tel. 59231. Inc. 853255

1979 Jan. Rolls-Royce Silver Shadow II finished in Chestnut with Beige hide interior. 500 miles, 1978 Dec. Rolls-Royce Silver Shadow II finished in Chestnut with Beige hide interior. 900 miles. 1978 May Rolls-Royce Silver Shadow II finished in Peacock Blue with Magnolia hide interior and Magnolia Everflex roof. 4,000 miles. 1978 March Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide interior. 17,000 miles. 1978 Feb. Rolls-Royce Silver Shadow II finished in Chestnut with Magnolia hide interior and Magnolia Everflex roof. 14,000 miles. 1978 Jan. Rolls-Royce Silver Shadow II finished in Everflex roof. 14,000 miles.

Evernex root 14,000 miles.

1978 Jan. Rolls-Royce Silver Shadow II finished in Cardinal Red with Beige hide interior, 1,000 miles.

1978 Jan. Rolls-Royce Silver Shadow II finished in Gunnetal Grey with Grey hide interior. 10,000

Moorland Green with Green Dralon interior and Green Everfler roof 18,000 miles.
1969 Bentley T' Snished in Smoke Green with Beige
hide interior. One owner. Supplied by us. 54,000

#### TORQUAY Lisbane Square, Tor ne Square, Torquay. Tel. (0803) 24321

1975 July Corniche Convertible in Wainut with Beige hide apholstery and Beige hood. A beautiful one-owner car. 30,000 miles. Offered at 139,850 1976 Jan, Corniche 2-door Saloon in Silver Chalice Black Everflex roof and Deep Red hide upholstery. 23,000 miles only. 1977 Aug. Silver Shadow in Willow Gold with Brown Everdex roof and Beige hide upholstery. Picnic tables 7.800 miles. Superb. 1976 model (regd. Nov. 1975) Silver Shadow in Moorland with Beige upholstery Only 23,000 miles. Ont-standing; to be registered with a V Reg. No. on 1st August. \$26,850 ist August. \$26,850 1974 Aug. Flared Arch Silver Shadow in Seychelles Blue with Blue hide. 61,400 miles. A sound invest-

WADHAM STRINGER

# 

#### **GRANADA 2.8** GL AUTO

1978 model. Metallic Mid-Blue with-Blue com trim. Auto. PAS, rado, inted glass, 8.00 miles only. Cheirman's second car. As arew throughout and very considerable saving on new price at £4,950 Terms or lesse from £435 deposit. £144 monthly Inc. 12,000 miles Auto-guard Warranty.

JAGUAR XJ6 3.4 L.W.B. 1977 model: White With Burgundy velous trim and matching vinyl roof. Actomatic, PAS, radio/stereo, 25,800 miles only. Mint condition. £5,950

## ELITE MOTOR SERVICES

ASHBY/LEIC. 0283 219183/219208

**CITROËN** in the City For a comprehensive range of

Citroen cars including ... GSX 3 call 01-377 8811 Cooper Car Company 20 Paul Street London, ECZ



Terms or lesse from £477 deposit. £159 monthly Inc. 12,000 miles Auto-oused Warranty.

HOLLS-ROYCE SIEVER SHADOW, Februar 1974: Approx. SE-000 miles. Wales Brown, him interior. Price £18400 Tel. weekdays: 01-491-7126.

## TOPLESS IN STYLE

"ROLLS-ROYCE OWNERS REGARD YOU" WITH BARELY CONCEALED JEALOUSY. ONE OF THE REASONS FOR THIS IS THAT YOU CAN CUT SO MANY DIFFERENT DASHES WITH THE 412. PERHAPS IT. AND THE R-R CORNICHE ARE THE ONLY-LARGE CONVERTIBLES NOW BEING MADE. BUT THE 412 IS MUCH MORE BESIDES.



Bristol Cars Ltd., 368-370 Kensington High Street, London Wile and of Street

The rights issue by Geever Tin Mines has been accepted in 

Loss for

**Discount** 

**Alexanders** 

Alexanders Discount Company, where the recent sharp rise in

interest rates has resulted in a

depreciation in the value of its

For the whole of 1978, profits slumped from £2.14m to £0.2m, after providing for rebate and tax and making a transfer from

contingency reserve.
The net interim dividend is kept at 4.5p per £1 share, costing £220,035 (£218,775)—last year's

Having had a disappointing 1978.

Alexanders Discount does not seem to be faring much better

in the current year. Its interim statement is very similar to that

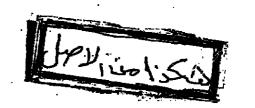
assume that the company tost money. In the first quarter of

the latest period interest rates

But, the surprise rise in Mini-

total was 16.001p.

comment



#### BIDS AND DEALS

# Welman's U.S. deal is too large, claims Redman

formal condition of its £7.8m July F7. t for Wellman.
The offer documents, sent to

Sireholders vesterday claiment the U.S. deal is non large and Wellman has not said how it fund it particularly with regid resources down by II.4m.

This is only five days ahead the closing date for Redman's

Redman points out that the C.S. proposal will effectively mubble the size of Wellman and task it into a new geographical area with inevitable strains on canagement. It describes its wn cash offer as an alternative taking that risk.

#### ELLIS & McHARDY

SUSPENDED Shares of Bills and McHardy, Aberdeen based solid fuel stribution, transport and Northea oil service company, were ispended yesterday pending a basible take over offer.

graining about the size of identity of the bid, with Ellis's directors aring only that "they have seeived an approach which may and to an offer being made for the whole issued share capital."

Turther amountment is ected this week.

At the 67p suspension price, se company's market valuation some £804,000. This compares with stated net assets of £1.23m in the end of 1978, when te company's protax profits dvanced by a fifth to £283,000 in a 30 per cent rise in sales

Major shareholdings in Ellis Supprise a 10.52 per cent interest by Aberdeen Trust, a 12.89 per tent stake by Loresho, and one of 8.75 per cent by Scottish Mothern Investment Trust The company is being advised Noble Grossari.

## W. E. NORTON

COMPLETION ... The directors of W. E. Norton fieldings) announce that compared from the reported fale by I. A. equisition of the capital of Ziff, chairman, M. 20000 shares lidney H. Jackson and Smith should have been 32,500. Moldings) announce that comletion has taken place for the (Tools), and Sidney H. Jackson Semportex Holdings Mr. S. Waisset has reduced his share from £125,000 cash considera holding introducery shares to 41,000 (5.37 per cent). (Tools), and Sidney H. Jackson

the balance to be paid one Mear later. ar later. Consolidated net assets of the dio companies, specialised cut-log tool distributors, were

256.465 and net profits for the Rear ended August 31, 1978, were

#### DARES ESTATES

Some 250,000 ordinary shares, represents 7.42 per cent of the Dares Estates, the Birming total capital and the shares were some based builder and property bought by institutional investors. The Clarke family, their trustees each in a deal worth Inst over and other directors still own f61,000 by Tringa, a complany 54.3 per cent of the equity.

Owned by the trustees of the Midland Industries Major M. settlement formed by Mr. P. D. J. Webb, director, has advised lackson chairman of Dares, and the following disposals: Mrs. D. Mr. D. C. Sidi, managing director. B. Webb, wife, 28,000 shares. Mr. D. C. Sidi, managing director.

ARROW CHEMICALS

5EA ...

Wellman Engineering proannounce that at an EGM on
the second form July 12 the necessary resolutions
consistion of the heating diviwere passed whereby Reabrook
aga of General Electric Company
acquired Arrow Chemicals
of the U.S. Redman Hesana's (Group) and that the enlarged
for Wellman will automatic
group should be known as Arrow
the halting of that U.S. deal, of the acquisition took place on
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# BICC TO BUY ELECTRONICS: COMPANY

dif fund it, particularly with spild resources down by Flam BICC is negotiating to buy a private electronic group. Vero swellman, for its part, is rejective. Biectronics, which is claimed to be the leading supplier of standard circuit boards is the approve the U.S. acquisition UK and has U.S. French and a special meeting. The date of the property o

beyond saying that its sales last year amounted to fil.4m and significant growth is expected

# COOLAG BUYS

Agreement has been reached between Imperial Chemical Industries and Coolag, a subsidiary of Tarmae, for Coolag to acquire the ICI Lamination Plant at Heysham Lancashire, where rigid polymethane from insulation medical are medical are medical are medical are medical. insulation product are manufactured. The value of the assets to be acquired is around film.

Since May, 1978, Goolag has distributed and marketed the range of insulation products manufactured by ICI at Reysham No information was forth manufactured by ICI at Reysham aming about the size or identity under the Puriboard trade name.

# GRINDLAY BRANDTS Grindlay Brandts leasurance Brokers, part of the Grindlays Bank Group, is in discussions with PT LBS. Insurance Broking Services of Jakarta to enfer into a technical and collaboration agreement which will allow it to extend the range of services

extend the range of services which it can offer rejents. PT I.B.S. Insurance Broking Services provides insurance services to domestic and inter-national clients to Indonesia including aviation marine hull and cargo, contractors all risks and industrial insurances

#### SHARE STAKES

Ratners (Jewellers)—Scottish Amicable Life Assurance Society holds . 1:25m shares... Bernard Wardle Birmingham and Midland Counties Trust now helds 4,712,900 shares (26,234 per cent)

Eva Andustries — Norwich Union Ansurance Group holds 511,702 shares (5.47 per cent). Silentnight Holdings — Members of the Clarke family, the trustees of the Clarke family

settlements, and other directors have, from shares allotted to them under the recent scrip issue, sold 1,670,346 shares. This Some 250,000 ordinary shares, represents 7.42 per cent of the

B. Webb, wife, 28,000 shares. Astwood (Finance Services)—of S0.000 shares. MEPC—C. J. Bénson, director

# Se directors of Arrow Editals Holdings formerly sabrook investment Trust has old 40,833 shares at 130p. Racal Electronics—E. Brickhouse Dudley

#### Profits increased despite difficult trading conditions

- Profit increased despite loss of approximately one month's net profit due to severe winter and national transport stoppage.
- Goods exported on from £4.2 million to £4.85 million.
- Property revaluation shows surplus of over £1 million

It is difficult to make any firm forecasts for the year ahead, but the Group is in a position of strength to take full advantage of market opportunities. After a period of consolidation we have begun to look for areas of suitable diversification allied where possible to existing productive and distributive capacity.

> R. A. Graves, Chairman and Chief Executive.

Year to 31 st March	1979	··· 1978	1977
1 cal to 0 to 1 min ma	£'000	£'000	£1000
Sales	24,404		18,128
Profit before tax	2,285	,, 1,981*	1,587
Ordinary Dividend (gross)	4.01p	3.54p	3.22p
Esmings pershare	7.21p	6,29p*	5.04p



of drainage products for the

#### Brentnall **Beard loss** at midway

FOLLOWING LOSSES of 5526,000 at the end of 1977-78, Breninall Beard Holdings, insurance broking group. f526,000 at the end of 1977-78, Brentnall Beard Holdings, insurance broking group, incurred a further deficit of f607,000 for the first half-year ended March 31, 1979 compared with a £233,000 profit in the same period last year.

Loss per 10p share is shown as 5.12p against 1.82p earnings and directors are omitting the interim dividend—last year's payment was a single 0.572p interim. Chve Discount Holdings—A. N. Burman, director, has sold 25,000 Alexander Howden Group—Mr. R. C. Comery, Mr. A. J. Page and Mr. M. S. Reynolds report that their interest as trustees in

The year's result includes associated company losses of £231,000 compared with £24,000 profit. The results of associates now include certain operations in Canada which were formerly subsidiaries.

The directors say soft market conditions in Canada continued in the first half year and as a result, losses of associates there were higher than expected. In addition, the level of brokerage earned from this source by the Lloyd's broking subsidiary has been substantially reduced. The UK domestic company,

based in Shrewsbury and the underwriting agency have continued to trade profitably, says the Board. Further short-term finance has been arranged which is considered to be adequate for

the group's immediate needs.

#### Boulton & Paul

# **Crown House on target** with best-ever £4.05m

WITH AN advance in taxable profits from £3.23m to a record £4.05m for the year ended March 31, 1979, Crown House has met the forecast of around £4m made last February at the time of the accepted offer for Best and May. The half-time surplus had risen from £1.11m to £1.47m.

The directors say trading con-ditions in the UK are expected to become increasingly competi-tive during the current year and this will probably affect all parts of the group's activities.

They hope a significant con-tribution will be made by con-tracting activities overseas and, if this is forthcoming, there are reasonable grounds for expecting improved profits improved profits.

A divisional breakdown of the year's profits shows (with £000s omitted): electrical and mechanical services £1,116 (£1,775), glassware £1,745 (£1,437), property development and finance £866 (£74 bps), ampliographics (274 loss), employment services £291 (£155), and hotel manage-ment £35 (£65 loss).

This year's profit in the elec-trical and mechanical services division is stated after providdivision is stated after providing £600,000 by way of provision for loss now anticipated on a large engineering contract currently in progress in the UK.

This sum is the best present estimate of the loss which will be sustained on completion of the contract later this year, the directors state. It relates to a P.S.A. contract

which included a £0.89m provision no longer required, for preseas business lost £250,000 stock appreciation relief applicable to accounting periods prior to March 31, 1975, and no longer available for "claw-back." Full provision has been made for deferred tax including stock is likely that Crown House will suppreciation relief. appreciation relief.

appreciation relief.

Including the deferred tax credit, earnings per 25p share are shown as 13.2p (6.4p), and as 8.9p (6.4p) excluding the same. A net final dividend of 2.5p lifts the total by 33 per cent from 3.38p to 4.5p. Ordinary payment absorb £977,000 (£701,000) including £43,643 to former holders of Best and May. Group net assets expanded during the year from £13.2m to £15.2m. Net cash balances at the year-end were £3.7m against

year-end were £3.7m against £2.2m. Capital expenditure in the year amounted to £3m, including £1.9m on freehold property, the bulk of which related to the new head office for Crown House Engineering at Redhill and the new warehouse for Dema Glass at Flitwick.

for Dema Glass at Fiftwick.

1978-79 1977-78

5000 5000

F000 5000

Profit before tax 4,053 3,228

Taxazion 1,362 1,778

Net profit 2,681 1,450

Minority losses 68 189

Extraord. credits 74 140

Available 2,833 1,501

Preference dividend 26 26

Ordinary dividend 977 701

Retained 1,830 774

\* Comprises £2,258,000 (£1,778,000) 

Boulton and Paul, a subsidiary of the British Electric
before tax down from £6.24m to 
£5.22m in the year ended March
31, 1979. Turnover amounted to 
£82.87m, against £77.5m.

Tax takes £2.5m, against £3.5m.

Tax takes £2.5m, aga

take reasonable account of these uncertainties but a degree of

costs are high, was mostly responsible for that deficit and it is likely that Crown House will withdraw from that area. For the short time, at least, much will depend on the work taken on recently for the AOI in Egypi where, after a brief flare-up, the four manher constraint appears. four member countries appear to have settled their differences. A 1940,000 turnround in property and finance and a first time contribution from hotel management more than made up for these problems to lift overall profits by a quarter. Neither area, however, is seen as an integral part of the business and both are likely to contract rather than covering the comparable period expand. Glassware played its of last year and it is fair to part with a 21 per cent improve-ment and further progress is were falling and over the whole period gilt edged prices rose.

expected despite falling export margins and some uncertainty over the level of UK consumer spending. A yield of 9.3 per cent at 72p and a p/e of 7.3 take responsible secont of these

#### mum Lending Rate in the June Budget caught most discount houses out and cost them dearly. caution may be rewarded over At 250p the shares yield 9.0 per

COGHLANS—Turnover year to March 31, 1979, C6,181,310. Pre-tax profit 684,480 after interest £103,823. Tax 64,025. Stated eprings per £1 share 52p. Dividend 15p (12,8898p). B. ELLIOTT AND CO. (mechine tool

RESULTS AND ACCOUNTS IN BRIEF (£3.72m), Current liabilities £1.07m (£598,186). Chairman hopeful of in-crease in profits in current year. Meat-ing, Russell Hotal, W.C., August 8 at

group)—Results for year to March 31, 1979, and prospects, reported June 28. 1979, and prospects, reported June 28, Property £16.55 (£16.65m), plent £13.47m (£12.27m), essets on rental £11.03m (£19.98m). Current assets £118.8m (£104.56m). Current liabilities £60.57m (£56.04m). Working capital increased by £7.56m (£19.44m). Benk borrowings decreased by £0.16m (£3.35m increase). Cash and deposits increased by £1.64m (£0.63m decrease). Meeting, Abercom Rooms, £C, August 8, at noon.

# **Rand Mines Limited**



52,000 shares has ceased due to a sale of these shares on July 2 at 36p. Mr. K. V. Grob, director, bought 52,000 at 35p on that date.

The report by the Monopolies and Mergers Commission on the

takeover proposals from two U.S. companies for Alginate Indus-

tries, the British seaweed pro-

cessing concern, is expected to be published on July 24.
Alginate, which reported a drop in 1978, pre-tax profits from £2.8m to £1.7m, received a £21m bid from Merck Locorporated, the

major U.S. pharmaceutical con-

cern, last December.
This was accepted by share-

holders controlling a 98 per cent stake in Alginate, but the offer lapsed this February on being

referred to the Monopolies Com-mission. Merck has said, how-

ever, that it will make a new offer if the commission reports

The second U.S. group involved, FMC Corporation, made its approach in February. It,

too, has said it would make a bid for the British concern, which

controls around four-fifths of the

UK alginate market, if official clearance were forthcoming.

favourably on the bid.

Alginate:

next week

report

A Member of the Barlow Rand Group Gold Mining and Colliery Company Reports for the Quarter ended 30th June, 1979

(All Companies incorporated in the Republic of South Africa).

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ.

#### HARMONY GOLD MINING COMPANY, LIMITED

I	ISSUED CAPITAL: R13 442 325 IN 26 824 650 SHARES ( REPORT OF THE DIRECTORS FOR THE QUARTER ENDE	OF 50 CENTS EACH D 30TH JUNE, 1979	9.
: 1	OPERATING RESULTS—ALL PRODUCTS	Quarter ended 30.6.1979 1 784 000 8 095 4.54	Quarter ended
	Ore bylied (tr: Gold groduced (kg): Yield (g)tr:	30.6.1979	31,3,1979
	Gold droduced (kg):	8 095	1 726 000 7 909
•	Yield (aft):	4.54	4,58
	Pulo trelied (U:	1 297 900 142 786 . 0.110	1 300 000 142 757
-		. 0.110	0.170
	Pyrite. Concentrate recovered (t): Sulphuric Acid produced (t): Total Revelue (R.t. milled): Total Costs Ret milled):	20.155	27.084
,	Saloharic Acid geoduced (t):	20 188 31 195 37.04 25.24 11.80	22 084 23 669
.	Total Reveiuse /R:t milled::	37.04	38.28 25.94
	Total Costs (R.*; milled):	25.24	25.94
	Total Costs (R."; milled): Total Profit (Rr! milled): Total Profit (Rr! milled): FINANCIAL RESULTS—All products	11.89	12,34
•		•	
1	Revenue—Gold, Silver and Osmiridium —Uranium,—Pyrite and Sulphuric Acid	R57 006	R52 775
.	Uranium, Pyrite and Sulphuric	R9 065	·B13 301
1	***************************************		
١.	Total revenue	R66 073 R45 023	R66 075
1	Costs	K45 U25	R44 775
;	Working profit	R21 050	R21 300
ı	Sundry revenue (net)	R1 154	R1 248
Н	Profit before taxation and State's share of		
	. March	R22 204	R22 548
1	Taxation and State's share of profit	R4 441	R6 825
1		<del></del>	
ı	Profit after taxation and State's share of	R17 763	R15 723
	The state of the s		R4 929
Į	Capital expenditure	R10 254 R R352	R14 249
ł	Lord less	R352	R53
ı	Loan levy retand 51973 and 19741	8	R584
1	SHAFT SINKING Merriesbruit No. 2A Upcast Ventilation Shaft		. :
ł	. Advanced	28	302
1	. Depth to date—intues	985	958
ł	DEVELOPMENT		
I	Quarter ended 30.6.1979 T1 534 metres	Quarter ended 3 10 730 me	
1	- 11 534 metres		:u 43
1	Call Dulde	Channel	niminu
ſ	Horizon Samoled Value Value	Width Gold	Oxide cm.kg/t
Ĭ	Reels Metres Metres B't KB't	tm tm.94t 78 1351	26.D8
1	Column   C	Channel Width Gold cm cm.sht 78 1 351 98 624	20.02
ĺ	AND THE WALLES		
1	Quarter edded	07 904	71 57

. -3071 2962 2 687 2 268

For and on behalf of the hoard, D. T. WATT (Chairman)

# EAST RAND PROPRIETARY MINES,

L	IMIT	ED			
ISSUED CAPITAL! R3 960 000 IN S REPORT OF THE DIRECTORS FOR	HARES OF	R1.00 EAC	H 3 30TH J	UNE, 197	9.
OPERATING RESULTS		Quarter	Qt	Lafter	.6 months
Gold		ended	'	ended	ended
Gold		30.8.1979	31.3	1979	30.5,1979 972 000
Cold moduced (kil):  Gold moduced (kil):  Yield (gil):	P-0.	493 000 2 485.8	. ~	176.5	4 962.3
Vield falls	• • •	5.04		5.17	5.11
Revenue (R/t milled):	:: .	. 35.54	- :	33.65	34.61
Cost (Rix milled):		36.81		55.61 /	36.22
Profit (loss) (R t milled):		(1.27)		1.96)	_(1.61)
Revenue (RODO'S):		17 524 18 150	14	120	33 544
Cost (RODO's):	· •	18 150	17	7 057 (937)	35 207 (1 553)
Profit foss) (R000's): FINANCIAL RESULTS (R000's)	• •	16201		(937)	11 203
Working profit/floss: Gold	.*	R(526)		(937)	RC1 563
Sundry reveale (set):	15			R58	RIO
State Assistance claimed	::	R43	- R2	: 075	R4 293
	•			<del></del>	
Profit before taxetion and State's shi		·			R2 831
of profit	2.*	R1 635	. R	196 R84	'R163
Taxation and State's share of prof	175	R79	·	KB4 .	169
Profit after faxation and State's sha		<del></del>			
of proft		R1 556	. R1	112	R2 668
or productions					
Capital expenditure		R907	-	R485	R1: 393
Dividend declared		83 <u>6</u> 6		R— RB	R396 R15
LOAD LETY	· ·	R7		KO .	KID
	DEVELOPM	ENT			200
Quarter ended 30.6.1979			Quart	er ended :	51.3.1979
3 149 metres				3	ieu La
	Advances on Reef		Gold		
	Hodzna	Sampled	Value	Witth	
Reels	Metres	Metres	· ght	cm	CM.G'E
Composite Main Model Page Leader	62	66	5.1	112	569 1 252
Composite	. 52	95 .	20.4 20.7	. 61 52	1 054
Main Main Reef Leader	. 32	12	20.7	. 34	1 004
Mitthe recei acade.					
Totals and Averages	101	81 .	19.4	62	1 199
Courter ended 30.5,1979	167	100	107	70	947
Querter ended 37.3.1979 These values represent actual ri- lor any adjustments which may be i	<b>Bults of S</b>	empling, no	allowance	baving b	een made
for any adjustments which may be r	SECREPLY M	ben the ore	reserve	estimates	are made
at the end of the brancal year.	DIVIDEN			• • •	
医乳腺素 化二氯甲基磺基甲基甲基	DIAIDEN				1070
Dividend No. 115 of 10 cent	3 007 SHAL	re WRES deci	istened c	יים (, ושדו ה על 29th ביי	ne. 1979. ne. 1979.

# DURBAN ROODEPOORT DEEP.

	1220EH CAPITAL: KZ 325 000 IN SH	IARES OF	R1,00 EAC	H		
r;	REPORT OF THE DIRECTORS FOR T	HE QUAR	TÉR ENDE	30TH :	JUNE, 197	9,
ď	OPERATING RESULTS	-	Quarter	0	garter	· 6 months
2	•		anded	_	ended	ended
Ď	Gold .: '		30.6.7979		.1979	3D.6.1979
9	Ore milled (tr.		547 000		7 000	1 084 000
8	Gold produced ticgs:		1 921.6		296.5	3 B1 B.1
-	Yield (g/t);		3.51	•	3.53	3.52
D.	Revenue (Rit milled):	• •	24.88			
ž					23.40	24.14
0	Cost (R/t milled):	••	23.78		22.26	22.72
_	Pront that makes:		1.70	_	1.14	1.42
4	Revenue (RDOO's:		13 609	1	2 564	26 173
9	Cost (R000'91:		12 679		1.953	24 632
Š	Profit (R000's):	•	930		611	1 541
ā	Pyrite					
ă	Pyrite concentrate sold (t):		6 117		6 958	13 075
•	FINANCIAL RESULTS (ROOD'S)					
	Working Profit—Gold		R930		R511	R1 541
5.	Working Profit—Pyrite		R68		R77	· R145
•	Sundry revenue Chet!		R106		Riii	R217
	State assistance claimed		R501		R722	R1 223
٠.		•				
2	Profit before taxation and State's share	ne .				
Š	of profit	_	R1 605	R	1 521	R3 126
	Taxation and State's share of pro-	ñt .	R—		R	R
=					<del></del>	
2	Profit after taxation and State's share	ne .				
,	of profit	-	R1 605		1 521	R3 126
-	2	•			· <del></del>	NO . P.
	Cacital expenditure	_	R677		R580	R1 257
2	Dividend declared	•	R930		- B	R930
,		•			•••	1.000
-						
5	. · D	EVELOPM	ENT			
	Quarter ended 30.6.1979			Quart	er endêd :	31.3.1979
•	5 685 metres			<b></b> -	4 834 m	
•		Advancer	I			
5	•	on Reef	•	Gold	Channel	
		Harizon	Sampled	Value	Width	Gold
	Reefs	Metres	Metres	g!t	EM	cm.g/t

These values represent actual results of sampling, no allowance having been made for any adjustments which may be necessary when the ore reserve estimates are made at the end of the financial year.

CAPITAL EXPENDITURE

# ISSUED CAPITAL: R6 000 000 IN 24 000 000 SHARES OF 25c EACH

**BLYVOORUITZICHT GOLD MINING** 

COMPANY, LIMITED

REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 30TH JUNE, 1979. R22 516 R11 703 R10 813 Levy serund (1973 and 1974) Quarter ended 31.3.1979 4 427 metres rter ended 30.6.1979 5 192 metres

53 0.532 ORE RESERVES AT SOTH JUNE, 1979

DIVIDEND CAPITAL EXPENDITURE

For and on behalf of the board D. T. WATT (Chairman)

#### WELGEDACHT EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL: R. 090 813 IN SHARES OF 45 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 20TH JUNE, 1979
ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED
SUBSIDILARY OPERATING RESULTS PROFIT BEFORE TAXATION .... 1 636 470 PROFIT AFTER TAXATION .... 1 698 1 186 374

43 of 9 cents per share was declared on 11th April, 1979 act 18th May, 1979 to shareholders registered on 27th April, CAPITAL EXPENDITURE

GENERAL

A. A. SEALEY N. ZOLEZZI Directo

## WITBANK COLLIERY, LIMITED

ISSUED CAPITAL: R13 744 674 IN ORDINARY SHARES OF RZ EACH REPORT OF THE DIRECTORS FOR THE QUARTER ENDED SOTH JUNE, 1979 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARIES OPERATING RESULTS Working profit cents per ton
FINANCIAL RESULTS
Working profit
Net sundry revenue PROFIT BEFORE TAXATION ... PROFIT AFTER TAXATION . .. R8 236 R8 538 113

CAPITAL EXPENDITURE

There are commitments for capital expenditure, nex 53 115

capital expenditure for the remainder of the current financial year similated at RB 452 000 as certain expenditures on the Duvha project te-Echeduled to occur after the year end.

9th July, 1979,

All financial figures are subject to audit,

Copies of these quarterly reports are obtainable from the United Kingdom Registrars and Transfer Agents Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

NORTH AMERICAN NEWS

# Gelco acquires Reliance container unit for \$250m

Reliance Group to the fast- tion of CTI will push the value

panies yesterday came as some end of thing of a surprise, since Reliance had not previously indicated that CTI was for sale. Gelco's takeover ambitions, however, emerged in May when it failed to acquire 49 per cent of another container leasing company, Interway Corpora-

in cash and another \$110m in pany's revenues were \$316.8m

world's largest leasor of marine which Gelco must redeem earnings were \$16.75m comcontainers, is to be sold by the within four years. The acquisipared with \$12.96m. April, the company's

equity of \$107.13m. Gelco, which specialises in vehicle leasing and transport management, has achieved 100 per cent average annual growth in revenues and 65 per cent growth in earnings in the last The provisional agreement five years. During the nine provides for Gelco to pay \$140m months ended April 30, the com-

CTI INTERNATIONAL, the non-convertible preferred stock, compared with \$233.3m, and net

Remance Group to the rast of Gelco's assets well over the growing Gelco Corporation of Gelco's assets well over the has also been rapid, and the growing Gelco Corporation of Gelco's assets well over the has also been rapid, and the growing Gelco Corporation of Sibn mark, but it may also company has more than doubled sibn mark, but it may also tentative agreement raise some concern about the its container fleet to 225,000 announced by the two com- company's debt burden. At the units in just over two years. Its total liabilities amounted to year to \$111m, and pre-tax \$955.39m against shareholders' operating earnings were up 28 per cent to \$36.8m.

CTI's revenues were, how ever, only a small proportion of the Reliance Group's which turned in \$1.23bn in 1978 and earnings of \$91m. Reliance has minority interests in several financial services companies, but its principal operations are in insurance.

# Strong second quarter at CPC

BY TERRY OGG

the large corn refiner, industrial foods and consumer products group, jumped 19.4 per cent to \$41.4m.

Net earnings per share were \$1.74, well ahead of analysts' ould hit figures for the third and carnings from branded U.S. corn wet milling industry. \$1.65. While the looming down- time.

SECOND QUARTER net profits and fourth quarter, New York earned by CPC International, analysts are confident their full filled.

June 30 were up from \$799.3m to \$901.1m and took the total for hie first half year to \$1.76bn estimates of between \$1.63 and compared with \$1.54bn, last

grocery products have been making good progress both in the U.S. and in CPC's important foreign markets. But the big boost to the figures appears to Sales in the three months to have come from improvement in the U.S. corn wet milling opera-In recent years this activity has been under pressure from low priced sucrose and

# ITT allays executives' fears

INTERNATIONAL Telephone to Germany by the company's chairman, Mr. Harold Geneen, management shake-up among European subsidiaries.

Anxieties were apparently Friday of Mr. Gerhard And- echelons of ITT management. linger after just four months as president of ITT Europe. Mr. Andlinger, aged 48, was a Geneen was making a private close associate of Mr. Lyman visit to Germany

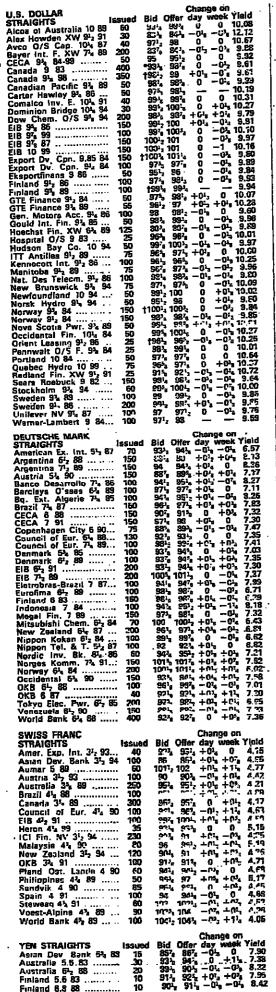
Hamilton Jnr., who appointed and Telegraph was yesterday him, and who was himself senior executive posts at ITT seeking to assure its senior ousted as chief executive at a between 1960 and 1967, and executives in Europe that a trip Board meeting last Wednesday. Mr. Geneen apparently played a central role in Mr. Hamilton's last year as an executive vicewas not the prelude to a major sacking, and when his Concorde flight to Europe on Thursday was followed within 24 hours by Mr. Andlinger's resignation. sparked by the resignation last a tremor of anxiety shook senior company However. the stressed yesterday that Mr.

Mr. Andlinger had worked in again between 1972 and 1976. He rejoined the company late president and was appointed four months ago to head the subsidiary whose operating companies last year had sales of \$8.7bn.

Mr. John Guilfoyle. aged 58 who will succeed Mr. Andlinger was previously ITT's vice-presi dent in charge of operations in Africa and the Middle East.

# FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.



Bid Offer 85% 86% 93½ 94% 39½ 90½ 91½ 92½ 90% 91½

# OTHER STRAIGHTS IS Nordic I. Bk. 9 84 SDR Avco Fin. 10-8 86 CS ... 12.12 Avco Fin. 10-8 86 CS ... 19.28 Fst. Can. Inv. 10 84 CS 9.92 Fst. Can. Inv. 10 84 CS 9.93 Rudson Bay 10-8 9 CS 9.61 Quebec 10-8 96 CS ... 19.61 R. Bk. Canada 10 86 CS ... 10.19 Copenhagen 8-91 EUA 10.31 Komm. Inst. 7-93 EUA 10.31 Komm. Inst. 7-93 EUA 10.31 Komm. Inst. 7-93 EUA 10.31 SOFTE 8-89 EUA 10.31 Rudson Bk. 6-8 87 Fin. 10.10 File 7-8 85 Fin. 10.10 File 7-8 85 Fin. 19.97 Ned. Middbt. 8-8 84 Fin. 19.80 Norway 8-8 84 Fin. 19.80 Rudson Bk. 6-8 84 Fin. 19.81 Rudson Bk. 6-8 87 Fin. 19.82 Euratum 9-8 88 FFr ... 2 Euratum 9-8 88 FFr ... 2 Euratum 9-8 87 FFr ... 3 Euratum 9-8 87 FFr ... 3 Soloyay et Cie 9-8 87 FFr ... 3 Solvay et Cie 9-8 87 FFr ... 4 Solvay et Cie 9-8 87 FFr ... 5 Solvay et Cie 9-8 87 FFr ... Hudson Bay 10½ 89 C5 Quebec 10¼ 86 C5 ... 50 R. Bk. Canada 10 86 C5 R. Bk. Canada 10 86 C5 R. Bk. Canada 10 86 C5 R. Bk. Canada 10 94 C5 Copsnhagen 8½ 91 EUA 25 Komm. Inst. 7½ 93 EUA 15 SOFTE 8½ 89 EUA ... 40 Algemene 8k. 6½ 83 F1 ... 75 F18 7½ 85 F1 ... 75 Ned. Middbt. 8½ 84 F1 Norway 8½ 82 F7 ... 100 Elf Aquitaine 9½ 88 FFr ... 200 Euratom 9½ 87 FFr ... 200 PSA Peurleot 9½ 87 FFr ... 200 PSA Peurleot 9½ 87 FFr ... 200 PSA Peurleot 9½ 87 FFr ... 150 Culticorp 10 93 £ ... 25 Finance for Ind. 13 91 £ 15 Finance for Ind. 13 91 £ 15 Finance for Ind. 13 91 £ 15 Finance for Ind. 13 91 £ 50 Finance for Ind. 12½ 89 £ 50 Finance for Ind. 13 91 £ | Color | Cirv |

\* No information available—previous day's price. t Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds whore it is in billions. Change on week = Change over price a week earlier. Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupan shown is minimum. C.fite = Date next coupan becomes effective. Spread = Marqin above six-month offered rate (3 three-month) for U.S. dollars. C.cpn = The current coupon. C.vid = The current yield. Convertible bonds: Denominated in dollars unless otherwise indicated. Cho. day = Change on day. Chy. date = First date for conversion into shares. Chy. price = Nominal amount of bond are share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of sequiring shares via the bond over the most recent prices of the shares. † Only one market maker supplied a price. © The Financial Times Ltd., 1979. Reproduction in whole or in part in any form not definited without written consent. Data supplied by Inter-Bond Services (a subsidiary of dataSTREAM International).

## Sharp rise in profits at Chase Manhattan

By David Lascelles in New York NEW YORK'S second largest bank, Chase Manhattan Bank, sharply increased the pace of its recent financial improvement by registering a 70 per cent increase in earnings in the

second quarter. Net income before securities transactions was \$80.3m or \$2.34 a share against \$47.1m or \$1.31 a share in the same period last

Assets in the first half of this ear averaged \$58bn against 52.8bn last year. There was slight reduction in the volume of non-performing loans and in provisions for loan losses.

Chase attributed the rise primarily to higher net interest income, both domestically and resulting ncreased loan volume and a higher level of interest rates.

Meanwhile, BankAmerica Corporation, holding company for Bank of America, the world's largest commercial bank, announced an increase in operating net profit from 220.8m to \$279.1m in the first half of the year. Earnings per share, after securities transactions, moved up from \$1.51 to

Bank of New York reported an operating income of \$10.8m before securities transactions for the second quarter, against \$9.2m last time. Per share earnings increased from \$1.53 to

#### \$44m bid for Congoleum

MILWAUKEE - Congoleum Corporation, the flooring and shipbuilding group, said that i has been notified that a new company plans an offer worth \$44.5m to acquire all its shares at \$38 a share.

Congoleum said the informa tion was contained in a letter rom First Boston Corporation the banking group, which said that it and Century Capital Associates were acting on behalf of the unnamed suitor.

Mr. Byron C. Radaker, the chairman of Congoleum said that the proposal appears favourable to the company's stockholders and further investigation and full consideration." Mr. Radaker said that he

plans to meet with the First Boston group, and Congoleum's board will consider the proposal "at an appropriate time." Congoleum said the letter from First Boston noted completion of the transaction would be subject to financing arrangements, filings with appropriate regulatory authorities, and approval by Congoleum stock-

According to Congoleum, it also said that the company seeking to acquire the stock would offer equity participation and executive positions to certain members of Congoleum's management group. Reuter

#### Banks discuss merger deal

NEW YORK - First National Bank of New Jersey is in separate preliminary negotiations toward the purchase of two Middlesex County NJ Banks. Negotiations leading to definitive agreements are under way with The Commonwealth Bank of Metuchen and The South Amboy Trust Company of South

Amboy. Mr. C. Gordon Jelliffe, chair man of First National Bank, said posed in which First National would purchase the assets and assume the liabilities of both

Under the expected terms of Commonwealth Bank's offices in Metuchen and The South Amboy Trust Company's single office in South Amboy would be operated under First National Bank of New Jersey. Commonwealth of Metuchen had deposits of \$36.9m at June

1				
İ	U.S. QUART	ERLI	ES	
Į	ALLEGHENY AIRLINES	· ·		GRE
ı	Second quarter	1979 S	1978 S	Şe
I	Revenue	186.3m	149.4m 21.22m	Reve
ŀ	Revenue	18.43m	2.13	Net Si
ı			267.4m	Reve
١	Revenue	11,57m	14.16m 1.48	Net
j				HILT
	FIRST CHICAGO CORP		1978	Se
	Second quarter	•	3	Reve
į	Net profits	30 47m	33,32m . 0.84	Net Net
1	C:u mantha		64.71m	Reve
	Net profits	1.61	1.63	Net
	FIRST CITY BANCORP			E F
	Second quarter	1979	1978 S	Se
	Net profits	\$ 15.42m	12.48m	Revi
,	Net per share	1.33		Net
	Net profits	30.29m 2.63	25.06m 2.22	Revi
	Mer bet zuela			Net
;	FLORIDA POWER			HU
•	Second quarter	1979	5	S
•	Revenue	178.4m	175.7m 12.31m	Rev
	Net profits Net per share	10.33	0.62	Net Net
,	Six months Revenue Net profits	752,0m	692.3m	S
•	Net per share	63.05m 3.45	77.99m 4.50	Net
	+ 1000			' Net

# Dome heads syndicate in Canadian oil and gas deal

BY ROBERT GIBBENS IN MONTREAL

gas groups, is leading a group buying the Canadian oil and gas properties, plus facilities and equipment, of Mesa Petroleum of the U.S. for C\$200m in cash and notes plus an interest bearing term royalty on the which producing properties would have an ultimate value of

Under the deal, the American company, based in Amarillo,

petrochemicals.

DOME PETROLEUM, one of interest in the undeveloped pro-coast.

Canada's fastest-growing oil and perties, covering 1.2m acres in In Calgary, Dome Petroleum Western Canada. The deal is said that "certain Canadian par-due to be signed by October 1. ticipants" would contribute at Dome Petroleum is the com- least one-half of the total cost pany leading exploration in the of the transaction, but would deeper waters of the Beautort not immediately disclose the and in the Canadian identity of the other firms.

Western Arctic, and now has Last month, another big nearly 49 per cent control of American oil company, Hamil-TransCanada Pipelines, plus ton Brothers, sold most of its major interests in Western Canadian producing interests to a private Vancouver company. The company also holds major. The deal put a potential value Texas, would retain a 12.5 per exploration rights in the Arctic on the production from these cent growth overriding royalty Islands area and off the east lands of more than US\$500m.

# United Technologies well ahead

for the first half year, and said that the company is moving into backlog stood at a record group's main business sectors a challenging third quarter, but \$9.8bn. against \$7.1bn a year achieved increased sales that management looks forward ago. Neither sales nor backlog. The company's financial positive process of the company is not process of the company is not process. to another good year. Sales for the six months

showed a gain of 19 per cent to risen from \$109.5m to \$150.3m, or from \$2.75 a share to \$3.28.

take any account of Carrier Cor-poration, which was not consolidated at that time. The share \$3.58bn, and earnings have of Carrier's earnings was taken risen from \$109.5m to \$150.3m, in under the equity method. Mr. Gray said that the busi- bility from our people" in the In the second quarter, earn- ness mix remains sound. Com-

Mr. Harry J. Gray, chairman ings of \$79.4m or \$1.74 com mercial and industrial sales of and president of United Technologies, yesterday reported a time. Sales increased from the group total. Government time to sales increased from the group total. Sovernment to 37 per cent rise in net earnings \$1.55bn to \$1.80bn. sales gained 20 per cent to \$1.50bn. At the end of June, the order \$994m. In fact all three of the

tion is strong, he said, but strikes at key suppliers, growing shortages and record pro-duction schedules will demand maximum attention and flexi-

# Sears' orders boost Roper

1979, expects sales and earnings share on a 10.9 per cent sales business, though not at the for the fourth quarter ending decrease to \$298.9m. As a expense of its Sears business. July 31 to increase from the comparable period, Mr. C. M. will be "slightly under" fiscal year. "Our goal is a 50-50 mix" will be "slightly under" fiscal said Mr. Hoover but added that comparable period, Mr. C. M. will be "slightly under" fiscal said Mr. Hoover but a Hoover, the chairman and chief 1978 sales of \$433m and there is no timetable. executive disclosed.

appliance and outdoor power manufacturer, eouipment expects to post a sales increase of at least 10 per cent in the current fourth quarter. Earnings should also increase, he said, but "will not keep step said, but "will not keep step with sales." In the previous 74 per cent of Roper's sales, fourth quarter, Roper had net many Sears suppliers have had income of \$3.4m or 62 cents a lower sales and earnings since share restated, on sales of last fall, as the retailer cut back share restated, on sales of

KANKAKEE — Roper Corporation, in a turnaround from
the first nine months of fiscal
the first nine months of fiscal
43 per cent to \$6.2m or \$1.14 a mix by increasing its non-Sears earnings will decline by a larger He said that Roper, a kitchen percentage from last year's net affected adversely by a reces-opliance and outdoor power of \$14.4m or \$2.66 a share sion this autumn. "We had our The main reason for the fourth quarter improvement is

that orders from Sears Roebuck, fiscal 1978, Sears accounted for on promotional activity as part The fourth quarter gains will of a plan to improve its profit fiscal year.

The company should not be

recession this year, so next year looks pretty good for us." Sales for the first quarter of fiscal Roper's major customer, have 1980 should improve from the picked up, Mr. Hoover said. In year ago period's \$81m he said, year-ago period's \$81m he said, but declined to make an earnings prediction for the quarter. Roper's capital spending in fiscal 1980 will be about the same as the \$8m to \$9m in expenditures during the current

# Copperweld confident on outlook

PITTSBURGH — Copperweld second quarter profits lower corporation's earnings for the than the \$72m or \$1.29 a share share on sales of \$1281m, share o would have earned in the same period last year if it had not facility. taken a write-down for partially The. closing a facility, announced Mr. Anthony J. A. Bryan, chair-

man and president.

Nevertheless, first-half results
will be "substantially better" than last year and the company president and treasurer. is in "a rather good position

diary in Shelby, Ohio, will hold the first quarter of 1979, Copper- AP-DJ

closing of its Glassport, PA,

\$2.1m. Second quarter sales, keting effort. however, will be up from last The company has improved year's \$113.3m, according to the balance between its orders Mr. Donald P. Deluca, vice and inventories to reduce in

the first quarter of 1979, increased operating efficiencies in The write-down resulted in a Copperweld's plants and a 1978 second quarter net loss of "substantially improved" mar-

president and treasurer. ventory costs, particularly the Despite the poor second- costs of scrap steel, a key 12w quarter profit performance, Mr. material. Also Copperweld is Mr. Bryan did not forecast specific figures for the second months ended June 30 were ciently and expects to realise quarter or first half, but he said truck-strike-related disruptions \$10.7m or \$1.90 a share the recent reorganisation of its in shipments from Copperweld's company would have earned in bimetallics division and from steel facilities in Warren, Ohlo, and its Ohio steel tube subsides the Glassport write-down. In ville, Termessee, plant

## EUROBONDS Polish bank seeks **\$30m FRN**

BANK HANDLOWY is arrang ing a \$30m 10-year floating rate note through a group of banks led by Banque Nationale de Paris. Terms for this note, which can be redeemed at the note holder's option at the end of the fifth year, include an interest rate of 11 per cent over the sixmonth Libor rate with a mimmum coupon of 74 per cent his is the fourth dollar denominated FRN arranged for Bank Handley

by BNP. The terms paid by the borrower underline the fact that Polish borrowers have to pay far more for the money they raise in the inter-national financial markets than most countries.

This is the first time a Polish borrower has arranged a

public financing in the international capital markets since March, when a \$550m loan for Poland was signed with a group of banks led by Bank of America. That loan is understood to have been drawn down in two tranche during the month of April in both instances in Swiss

francs. When a first tranche of \$300r was drawn down, the six month base rate on Euro-Swiss francs was 11 per cent when the second tranche was drawn down the base rate had risen to 21 per cent isewhere in the dollar sector of the bond market, activity

was at a very low ebb; one

senior dealer commented that

"Carter's speech was a non-event and the market reacted." accordingly." Manufacturers Hanover Ltd. is seven year FRN issue for the largest private bank in Chile, Banco de Chile. This is the first Eurobond issue for this borrower. The borrower is expected to pay an interest rate of 1 per cent over the six-month Libor rate with a

minimum coupon of 61 per n the sterling sector, trast bonds posted gains of between 1-1 a point with steady buying

rices of Deutsche-Mark-denomi nated honds, both in the domestic and foregin sector yesterday. Most of the buying interest stemmed from abroad not least from Central Banks-and focused on the domestic side of the markets the foreign sector, a DM 500 bond is understood to have been arranged for the Butch company, Estel, by Deutsche Bank, Terms of this seven year issue include a coupon of 71 per cent with pricing at

issue for Parker Hannifin was priced at 99 by the Jead manager Deutsche Bank, with the indicated coupon of 71 per cent unchanged.

There were strong rumones vesterday that the European Investment Bank was trying to arrange a DM 150-200m private placement. Tech nically, the German capital markets sub-committee, which agrees on the calendar of new Deutsche-Mark issues every month, ned not be consulted. before an issue for a supra-national borrower is an

# Westinghouse hit by nationwide strike

BY OUR NEW YORK STAFF

collapse of pay talks
Westinghouse was hoping that its negotiations would

again follow the pattern set by General Electric Company, which reached agreement on a new three-year contract coverthe separate agreements, The ing 87,000 hourly paid workers on July 1. However, the company's attempt to introduce a call a strike from midnight on

WESTINGHOUSE Electric Corporation, the leading U.S. affected by the stoppage involverable poration, the leading U.S. affected by the stoppage involverable producer, was hit ing 39,000 workers. Since its yesterday by its first national production is almost over yesterfaction in proving cost of living protection in proving cost of living protection in proving cost of living protection is almost over whelmingly capital goods, such as turbines and other industrial a poorly funded pension plan thou of a 6 per cent inflation rate and electronic equipment, which that its negotiations would that its negotiations would that the proving cost of living protection in improving cost of living protection. Some union leaders have the asturbines and other industrial a poorly funded pension plan thou of a 6 per cent inflation rate and electronic equipment, which that its negotiations would find the deal in the deal in the gradeline. schedules. Westinghouse may be bracing itself for a lengthy stoppage.

from a non-contributory to a and Price Stability, the guardian prompted three of the four workers would pay 3 per cent unions involved in the talks to of their earnings above \$13,400

workers money.

Pensions apart, Westinghouse

was proposing to apply the General Electric agreement, The three unions which have which featured an important years called a strike have adamantly improvement in cost of living. Howeverefused to accept any switch payments. The Council on Wage have put

compliance with the guideline': limit of 22.5 per cent increase. in pay and conditions over three. However, the unions at

30 per cent by assuming average contributory pension scheme contributory pension scheme of the Administration's pay inflation of around 10 per cents similar to one which has acceptance of a plan in which pronounced on the validity of likely to cost GE somewhere contributory pension scheme of the Administration's pay inflation of around 10 per cent. The company was pressing for restraint guidelines, has not yet. In the event, the agreement is presented at GE for several years prompted three of the four micros involved in the talks to all a strike from midnight on sunday.

Up to 100 of the company's acceptance of a plan in which pronounced on the validity of likely to cost GE somewhere the pronounced of the cost

.S. QUAKI	EKLI	EЭ			
LEGHENY AIRLINES	<del></del> -		GREAT NORTHERN NEKOOSA		
Second quarter	1979	1978			
veru <b>s</b>	\$ 186 3m	149.4m	Revenue		

V 1 FV F1	·			the second secon
	GREAT NORTHERN NEKOOSA	HOWARD JOHNSON	POTLATCH	TRANE COMPANY
NES	Second quarter, 3978 1978	Second quarter 1979 1978	Second quarter 1979 1978	Second quarter
1979 1978 5 149.4m 186.3m 21.22m 1.23 2.13	Revenue	Revenue	Revenue 209.7m 210.4m Net positis 24.3m 19.8m Net per shere 1.60 1.31 Signmonths Revenue 408.8m 401.7m	Revetive
327.7m 267.4m 11,57m 14.16m 0.81 1.48	Revenue 559.8m 481.5m Net profits 45.9m 34.6m Net per share 2.88 .2.20	Net profits 16.85m 14.75m Net per share 0.76 0.67	Not per share	Net profits 16.42m 13.86t Net per share 1.56 -1.2 TYLER CORPORATION
0.81 . 1.40	HILTON HOTELS	LENNOX	PUBLIC SERVICE BLECTRIC & GAS	1
CORPORATION	Second quarter 1979 1978	Second quarter 1979 1978	Second quarter 1979 1978	Second quarter 1979 1978
1979 1978 \$ \$ 30 47m · 33.32m . 0.77 0.84	Révenue	Revenue	Revenue	Revenue
63.74m 64.71m 1.61 1.63	Net profits	Revenue 80.1m 73.0m Nat profits 4.49m 4.13m Net per share 1.13 1.02	Revenue 1.185m 1.095m Net profes 117,37m 102,41m Net ster, share 1.48 1.31	Revenue
ORP .	E F. HUTTON	NORTH AMERICAN PHILIPS	#UBBERMAID	Second quarter 1979 1978
1978 1978 \$ 5 15.42m 12.48m 1.33 1.1 30.28m 25.06m 2.63 2.22	Second quarter   1978   1978   S   S   S   S   S   S   S   S   S	Second quarter   1979   1978	Net profits	Revenue   206.0m 292.0m     Net profits   15,01m 5,654     Net per share   480 2.1     Six months   613.4m 554.1m     Revenue   613.4m 554.1m     Net per share   7,09 12.45m     Net per share   7,09 12.3
	HUYCK CORPORATION	PAINE WEBBER	SIGNAL COMPANIES	YELLOW FREIGHT SYSTEM
1979 1978 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Second quarter   1979   1978	Net profits	Seriesto quarter 1579 1528  Sevento 1.1bn 539.1m  Het. proble 51.5m 45.2m  1.60 1.17  2.76m 1.85m  105.7m 15.1m  2.84 1.55	Not profite 3 Zm. 10340 Not population 1.25 For profite 4 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
•				The State of the S

reeks

Polishin NTERNATIONAL BANKING

# DVICE HAS long been offered other developing countries. It also offers advice on currency of complement hanks here has been offered banks, or by a commercial banks, and agreement of the commercial banks and a commercial banks, and a commercial banks and a commercial banks, and a commercial banks, and a commercial banks, or by a commercial banks, and a commercial banks, or by a commercial banks, and a commercial banks, or by a comm Gamekeeper becomes poacher

an be found with the aid of a new prant of banks. It is perhaps the ultimate expression of the life recent tombstones for a fee-earning activity which international banks have developed as an alternational banks which has existed for some time. In the early days of loan syndicates—it special to the life carry days of loan syndicates—it looks are a fee-earning activity which international banks have developed as an alternational banks which the lending it.

NICHOLAS COLCHESTER explains.

a logical extension of a trend which has existed for some time. In the early days of loan syndicates—it was investment banks which the syndicates. This function was invisers to the borrower were

NICHOLAS COLCHESTER explains. Kuhn Loeb Lehman Brothers

nternational in New York daison Lazard et Cie in Paris and S. G. Warburg and Co. in andon.

These three banks are known to other bankers as the "triad" experience with the country or they came together four years go when the Indonesian are always split three ways. The ilsastrous overindulgence of artamina, the state owned oil ompany. The Government reeded advice, as to how it could finance the short-term the core of the triad's business. It lays particular stress on the way it will devise

liscovered that it offered a ser- the organisation of domestic borrower from whatever source vice which was attractive to monetary systems. The triad is most appropriate."

Italian

deal

nanufacturer.

By Max Wilkinson

telephone

agned a detailed co-operation

jest with SIT-Siemens, the state-

owned telephone equipment

series of moves which have

oeen proposed for the re-organi-

sation of the Italian telecom-

SIT-Siemens, with about half

the domestic market for switch-

ing equipment, is at present developing a new computer

controlled system of exchanges. It is thought that Telettra, an electronics based company

could contribute to this develop-

rave now both told the Italian

lovernment that they have

eached formal agreement under

inree basic beadings. These are

Telettra and SIT-Siemens

munications industry.

ment work.

inderstood to be:

switching equipment:

A joint approach to

ions equipment outside Italy.

• Co-operation in research and levelopment, including elec-

ronic switching equipment.

four to perhaps two or three."

The companies in the market

are L. M. Ericsson Sweden, ITT, General Telephone Electronics

and SIT-Siemens. Telettra has mainly supplied transmission equipment. GTE has been talk-

ing informally to both Telettra

and to SIT-Siemens about possible co-operation, but so far nothing appears to have resulted

Mr. Charles Yaker, president

of the Howmet Turbine Compo-

Connecticut. He will succeed

Mr. Theodore Operhall, who will retire but continue as chairman and consultant Pechiney Ugine Kuhimann is

the North American holding

company for Pechiney Ugine Kuhlmann of France, the

metals, chemicals and nuclear

from the talks.

underlying financial fire-power.

Although the borrower's mar ket has made it easier for small banks to retain a share of the cate talking directly to Nigeria. lending business, the underlying
The moral of the tale was that pressure continues to steer
it was more satisfactory for an these banks towards consultancy investment bank to get itself and away from the provision of adopted as a broad-based finan-finance. This adds a new cial consultant and to play a element of competition to the background role in loan negotia- already highly competitive mar-

This announcement appears as a matter of record only.

## **BANCO REAL**

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Arranged and provided by

NIPPON EUROPEAN BANK S.A.

July 1979

lebt incurred by Pertamina, in that its clients tend to be stress on the way it will devise fact of the three banks offered countries which need money and the "financial engineering" for advice. But it also advices on a project as an independent nent finally invited them to contract negotiation, on steps to but "negotiating the most companies the most companies that are adviced to the contract negotiation and the contract negotiation are the contract negotiation and the contract negotiation and the contract negotiation are the contract negotiation and the contract negotiation and the contract negotiation are the contract negotiation and the contract negotiation and the contract negotiation are the contract negotiation and the contract negotiation and the contract negotiation are the contr The combine which evolved ment on project finance, and on petitive terms obtainable for the advisers.

itself by-passed, managers of the banking syndi-

tions, than to be appointed ket for international loans. financing. Lending bankers note that the executives from the triad are discreet in the way they present themselves at the elbows of the borrowers. This is not to say that there

is no animosity among the commercial banks against such Most would prefer to deal with the borrower alone.

# Most suspect that the borrowers

# Triumph Werke sharply ahead

BY OUR FINANCIAL STAFF

many, the parent company for the Triumph-Adler office equip-PELETTRA, Fiat's Italian telecommunications subsidiary, has ment group.

Last year Triumph Werke managed to lift net profits by a sixth to DM 14.24m (\$782m). The outlook for 1979 is being influenced by an upturn in domestic demand with the com-The deal is one of a complex pany noting an improvement in orders for office equipment and

electronic products.

This was explained yesterday by managing Board chairman by managing Board chairman means of implementing an allHerr Gerd Weers who content encompassing and necessary will have nearly doubled its
out that the continued improveinvestment programme," he share of Triumph Werke to 25
ment in his company's fortunes declared.

Was also in past, a reflection Herr Weers warned that the will hold 19 per cent.

SHARPLY HIGHER profits for of its new parentage following group's earnings could

chasing a majority interest in competitive. the Triumph group from the reception of the group's products American company and plans at the recent international subsequently to pump in fresh Hanover trade fair had been capital along with other share- a positive sign for 1979. holders. VW is to subscribe to an additional DM 19.3bn Triumph nominal capital.

The planned takeover combined with an injection of new capital provides us with the means of implementing an all-encompassing and necessary

1978 and a forecast of another the deal between Litton Induspositive result in the current tries of the U.S. and German car prices at a time when the congress were announced yesterday by Triumph Werke of West Gerver Www. In the process of purely support of the U.S. and German car prices at a time when the congress when the congress when the process of purely is in the process of purely in the purel equipment was highly price-However,

> Tomorrow's annual meeting will vote on the proposal to nominal capital.
>
> Herr Weers stressed the importance of the links with VW.
>
> raise capital to DM 80.5m from DM34.5m. After the capital portance of the links with VW. new shares, VW will hold around 55 per cent of the outstanding shares.

#### CIY-Alcatel plans expansion in U.S. BY DAVID WHITE IN PARIS

THE RENCH telecommunicacompany CIT-Alcatel plans to compete in the U.S.

Doint production of telephone market for digital telephone exchanges with a new model designed and made by a sub-sidiary in Reston, Virginia. The French concern has given narketing of telecommunical markef a switching system adapted to U.S. requirements and dealing with fewer than 10,000 lines.

The deal still leaves open the The move follows the by the parent company in announcement of similar ven-France. mestion of how the telephone switching equipment industry in Italy may be further re-reganised to reduce the number of suppliers from the present tures by Siemens of West Germany and Nippon Electric of suppliers from the present Japan to make small digital

exchanges for the U.S. to the U.S. pattern. It did not CIT-Alcatel, which belongs to disclose how much it planned the CGE Electrical Group, at to invest in the U.S. operation.

first studied possibilities for Societe Generale, one of buying up U.S. interests in the France's three nationalised Systems. - ·

marketing the system, which offer date. would be a different concept French t from the larger exchanges made

CIT-Alcatel is also looking to other markets such as Canada and Venezuela which conform

field but decided instead to banks, is raising FFr 500m on start from scratch by setting up the Paris capital market by a a wholly-owned subsidiary, bond issue. The 12-year bonds, Telecommunication Switching which will be reserved for subscription by the bank's clients, The company said that its will bear annual interest at a itself two years to bring to the U.S. operation would be given rate of 11 per cent, offering a a free hand in planning and gross yield of 11.8 per cent at French term money market

rates rose sharply yesterday after the rises announced on Thursday in the Bank of France's money market intervention rates. This is the first time that term rates have been fully quoted since the } of a percentage point increases in Treasury Bill discount rates.

## Dutch bank to go ahead with American purchase

Bank Nederland has been given permission by the U.S. authorities to acquire the capital of the group, and 14 per cent from Lasalle National Bank of five other shareholders. New chief for PUK unit Chicago. pents Corporation, a subsidiary of Pechiney Ugine Kuhimann Corporation, will assume the additional post of chief executive officer, writes AP-DI from

The acquisition, which involves an expenditure of \$82m means an "important expansion" means an important expansion capital on the same conditions:
The Dutch bank already has the most extensive offices in New York, Chicago, a RBN has the most extensive network of foreign branches of houston, Atlanta and Pittsburg.

Lasalle, founded in 1927, has about 700 employees and has built up a strong position in the retail market. Balance sheet assets were outside Holland to the Bonomi Bolchini announced that the company would pay a dividend in 1979 for the first sumething like 30 per cent of time in five years and would retail market. Balance sheet assets were outside Holland to \$947m at the with nearly 40 per cent of 1978 total amounted to \$947m at the with nearly 40 per cent of 1978 tion to issue new shares to aise end: of last year. ABN will earnings arising from non-capital to L22.2bn from L16.0bn. acquire 84 per cent of the issued domestic operations.

MAJOR DUTCH bank Algemene capital of \$43.67m from GATX Corporation, a Chicago-based

> At the same time, ABN will be making a public bid for the remaining 2 per cent of the

#### Policy switch for Italian builder

MILAN — Beni Immobili Italiana (BII), a real estate and construction company, has formally changed its corporate charter to permit it to diversify into other sectors. The switch follows the recent purchase of a 56 per cent interest in BII by unidentified parties represented by Istituto Finanziario Nazionale, a Genoa-based finan-

# Nigeria extends international borrowings

nonetheless extending its bor will be devoted to the Chad irri-rowing in the international gation project. The eight-year credit markets, according to credit carries a spread of 1 per Euromarket bankers.

redit was surrounded by diffimittes, chiefly because of the rowing economic problems Vigeria encountered after its conomic development plans its off-export utstripped

n size, and are generally being onfined to the financing of pecific development projects in

According to an analysis by The country's last foan, a According to an analysis by \$750m facility, was completed the Chase Manhattan Bank ecolate last year. However, this nomics group, Nigeria stands to earn up to 77 per cent more in

revenues would increase by an an overall palance of payments. The remaining \$100m would additional \$15n to a total surplus of \$55n this year, combe raised for Pakistan on the \$16.45n. This would raise total pared with a \$1.95n payments export receipts, including non-deficit in 1978."

The remaining \$100m would be raised for Pakistan on the Euromarkets, while efforts would also be made to roll over oil items, to an estimated . An attempt may be made to the other \$300m of debts.

NIGERIA WHICH looks likely Among the latest loans, Amex \$17.6bm this year. Chase raise funds for Pakistan on the Eurocurrency markets, in order to return to a balance of pay Bank is assembling a banking estimates.

Bank is assembling a banking estimates.

Nigeria, which has already to surmount potential debt-serments surplus lifts year, is group to advance \$130m which Nigeria, which has already to surmount potential debt-serments extending its bor will be devoted to the Chad irrigations and the interpretable of the chad irrights and the chad irright

Allowing for the traditional deficit on services and transfers, would have to be raised from current account surplus of \$3bn abroad, in addition to shortappears assured, contrasting with a deficit of \$3.8bn last

oil export receipts this year, as year, Chase says.

a result of the OPEC pricing It adds, "Capital inflow—decisions in June. It adds, "Capital inflow—ture on how these funds will be It. Nigeria raises the price of dollar loans as well as some that \$23,50 per \$300m.\$400m in direct invest-that \$200m might be made available. barrel ceiling, and if this pricment funds—can be expected to able from Saudi Arabia to start ing is sustained, gross oil add another \$2bn, resulting in an Islamic wealth tax system. an overall balance of payments actions are much less ambitious revenues would increase by an an overall balance of payments

estimates.
Nigeria, which has already adopted import restraints, could develop a trade surplus of bedevelop a trade surplus of bedev

term commitments totalling another \$300m which were

The remaining \$100m would

All these securities having been sold, this amouncement appears as a matter of record only.



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BANQUE NATIONALE DE PARIS KLEINWORT, BENSON SWISS BANK CORPORATION (OVERSEAS)

WESTDEUTSCHE LANDESBANK GIROZENTRALE AMERICAN EXPRESS BANK

ALGEMENE BANK NEDERLAND N.Y. ALAHLI BANK OF KUWAIT K.S.C. ANDRESENS BANK A.S. AMSTERDAM-ROTTERDAM BANK N.V. ARNHOLD AND S.BLEICHROEDER, INC. BACHE HALSEY STUART SHIELDS BANCA COMMERCIALE ITALIANA A.E.AMES & CO. BANCO DI ROMA BANCA NAZIONALE DEL LAVORO BANCA DEL GOTTARDO BANK MEES & HOPE NV BANK JULIUS BAER INTERNATIONAL BANK OF AMERICA INTERNATIONAL BANKERS TRUST INTERNATIONAL THE BANK OF TOKYO (HOLLAND) N.J. BANQUE BRUXELLES LAMBERT S.A. BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.J.) BANQUE FRANCAISE DU COMMERCE EXTERIEUR BANQUE EUROPEENNE DE TOKYO BANQUE DE L'INDOCHINE ET DE SUEZ BANQUE GENERALE DU LUXEMBOURG S.A. BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET BANQUE INTERNATIONALE A LUXEMBOURG S.A. BANQUE DE PARIS ET DES PAYS-BAS BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG BANQUE PRIVEE S.A. BANQUE WORMS

BANQUE ROTHSCHILD BANQUE PRIVEE DE GESTION FINANCIERE "B.P.G.F." BARCLAYS BANK INTERNATIONAL BARING BROTHERS & CO., BAYERISCHE HYPOTHEKEN-UND WECHSEL-BANK BAYERISCHE LANDESBANK GIROZENTRALE

BAYERISCHE VEREINSBANK BIG LUXEMBURG, S.A. BERLINER HANDELS- UND FRANKFURTER BANK CENTRALE RABOBANK CAISSE DES DEPOTS ET CONSIGNATIONS BLYTH EASTMAN DILLON & CO. CHEMICAL BANK INTERNATIONAL GROUP

CHARTERHOUSE JAPHET COPENHAGEN HANDELSBANK CONTINENTAL ILLINOIS COMMERZBANK CREDIT COMMERCIAL DE FRANCE CREDIT AGRICOLE CREDIT DU NORD CREDIT SUISSE FIRST BOSTON

CREDIT INDUSTRIEL ET COMMERCIAL CREDITANSTALT-BANKVERELN CREDITO ITALIANO DAI-ICHI KANGYO BANK NEDERLAND N.V. DAIWA EUROPE N.V. RICHARD DAUS & CO. DEUTSCHE GIROZENTRALE DEUTSCHE KOMMUNALBANK DEN NORSKE CREDITBANK

DEUTSCHE GENOSSENSCHAFTSBANK

DOMINION SECURITIES

DRESDNED BANK

DRIFT

RIPEC THE DEVELOPMENT BANK OF SINGAPORE DILLON, READ OF ERSEAS CORPORATION DREXEL BURNHAM LAMBERT EFFECTENBANK-WARBURG EUROMOBILIARE S.p.A. ROBERT FLESSING & CO. timperettrebalt
GIROZENTRALE UND BANK DER ÖSTERREICHISCHEN SPARKASSEN FUJI INTERNATIONAL FINANCE HAMBROS BANK GOLDMAN SACHS INTERNATIONAL CORP.

HILL SAMUEL & CO. E. F. HUTTON INTERNATIONAL N.V. IBJ INTERNATIONAL JARDINE FLEMING & COMPANY KREDIETBANK S.A. LUXEMBOURGEOISE KOREA EXCHANGE BANK KANSALLIS-OSAKE-PANKKI KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.K.) KUHN LOEB LEHMAN BROTHERS LAZARD FRERES ET CIE LAZARD BROTHERS & CO.,

KUWAIT INTERNATIONAL INVESTMENT CO. sak. LOEB RHOADES, HORNBLOWER INTERNATIONAL LLOYDS BANK INTERNATIONAL MITSUBISHI BANK (EUROPE) S.A. MITSUI FINANCE EUROPE MERRILL LYNCH INTERNATIONAL & CO. NATIONAL BANK OF ABU DRABI MORGAN GRENFELL & CO. SAMUEL MONTAGU & CO.

THE NATIONAL COMMERCIAL BANK (SAUDI ARABIA) THE NATIONAL BANK OF KUWAIT S.A.K. NEW JAPAN SECURITIES EUROPE NEDERLANDSCHE MIDDENSTANDSBANK N.Y. NIPPON CREDIT INTERNATIONAL (HK) LTD. THE NIKKO SECURITIES CO., (EUROPE) LTD.

NIPPON KANGYO KAKUMARU (EUROPE) NIPPON EUROPEAN BANK S.A. NORDDEUTSCHE LANDESBANK OKASAN SECURITIES CO., LTD. SAL. OPPENHEIM JR. & CIE. ORION BANK GIROZENTRALE ROTHSCHILD BANK AG PRIVATBANKEN **POSTIPANKKI** PIERSON, HELDRING & PIERSON N.Y. SANWA BANK (UNDERWRITERS)

SALOMON BROTHERS INTERNATIONAL N.M. ROTHSCHILD & SONS SANTO SECURITIES CO., LTD. SMITH BARNEY, HARRIS UPHAM & CO. SUMITOMO FINANCE INTERNATIONAL

SKANDINAVISKA ENSKILDA BANKEN J.HENRY SCHRODER WAGG & CO. SOCIETE GENERALE DE BANQUE S.A. SOCIETE GENERALE SVENSKA HANDELSBANKEN SUN HUNG KAJ INTERNATIONAL TRADE DEVELOPMENT BANK TOKAI KYOWA MORGAN GRENFELL

TAITO KOBE FINANCE HONGKONG TRINKAUS & BURKHARDT S.G. WARBURG & CO.LTD. WOOD GUNDY

WARDLEY YAMAICHI INTERNATIONAL (NEDERLAND) N.V.

WAKO SECURITIES.CO.,LTD. VEREINS-UND WESTBANK DEAN WITTER REYNOLDS INTERNATIONAL YAMATANE SECURITIES CO., LID.

July 16, 197**9** 

All of these Securities have been sold. This announcement appears as a matter of record only.

\$150,000,000

# Honeywell Inc.

9%% Sinking Fund Debentures Due 2009

Interest payable June 15 and December 15

MORGAN STANLEY & CO.

BLYTH EASTMAN DILLON & CO.

THE FIRST BOSTON CORPORATION

GOLDMAN, SACHS & CO.

MERRILL LYNCH WHITE WELD CAPITAL MARKETS GROUP

SHEARSON HAYDEN STONE INC.

PIPER, JAFFRAY & HOPWOOD

SALOMON BROTHERS

WARBURG PARIBAS BECKER

BACHE HALSEY STUART SHIELDS

DILLON, READ & CO. INC. BEAR, STEARNS & CO. DREXEL BURNHAM LAMBERT E.E.HUTTON & COMPANY INC. KIDDER, PEABODY & CO. LAZARD FRERES & CO. LEHMAN BROTHERS KUHN LOEB LOEB RHOADES, HORNBLOWER & CO.

PAINE, WEBBER, JACKSON & CURTIS

SMITH BARNEY, HARRIS UPHAM & CO. WERTHEIM & CO., INC. DEAN WITTER REYNOLDS INC.

DAIN, KALMAN & QUAIL

July 12, 1979

Companies INTINTL. COMPANIES and FINANCE and Harkets

# Nissan asks Ford to sell half of JATCO stake

BY YOKO SHIBATA IN TOKYO

Ford Motor of the U.S. to part JATCO. with half of Ford's 50 per cent Howev Nissan. The request was made grave concern for Nissan in a letter from Nissan's presi-dent, Mr. Takashi Ishihara to the lessening of Nissan's in Last Decem Mr. Philip Caldwell, previously of Mazda cars.

nery, has announced a fall of

0.9 per cent in consolidated net

profit, to Y19.49bn (\$89.8m) in

the fiscal year to April 15, from Y19.67bn in the previous year,

Sales totalled Y529.71bn

Kubota said that sales of

(\$2.4bn), for a 6.1 per cent rise, from Y499.10bn in the pre-

Bankruptcies

eports AP-DJ.

ceeding year.

COUNTY BANK

NISSAN MOTOR has requested executive as president of argues

made it clear that it would like JATCO was established in to bring its stake in JATCO up

Kubota consolidated earnings fall

TORYO—Kubota, a diversified machinery, cast-iron piges and 10 per cent.

Japanese manufacturer of agricultural and industrial machicultural and industrial machicultural and industrial machicultural and industrial machiincrease. Their net profit Y45.86bn in the preceding fiscal
increase.

declined, however, partly be year.

However, Toyo Kogyo has an-However, the agreement or nounced that it has no intention with nair of rolls to per cent stake in Japan Automatic Transferring its 25 per cent of transferring its 25 per cent mission Company, (JATCO) to stake in Toyo Kogyo has caused holding in JATCO and is continuing to place orders with

Last December, Toyo Kogyo fluence over JATCO and the reached agreement with Ford stability of its automatic trans. Motor that the company would of Ford. This follows the agree stating of its automatic trans. Motor that the company would ment announced last week for missions supply. At the time, start production of transaxles for to take a 25 per cent in of the tie-up between Poyo for Ford's front wheel drive subterest in Toyo Kogyo, the maker Kogyo and Ford; Nissan had compact cars from next year. compact cars from next year. Also, Toyo Kogyo itself will introduce its own front wheel JATCO was established in to bring its state in state in drive subcompact cars under a Ford manufactory to 50 per cent, and eventually drive subcompact cars to 50 per cent, and eventually drive subcompact cars to 1975 under a Ford manufactor attain full control. According spring. In order to cope with turing licence in anticipation of attain full control. According spring. In order to cope with turing licence in anticipation of attain full control. According spring. In order to cope with turing licence in anticipation of attain full control. According spring. In order to cope with turing licence in anticipation of attain full control. According spring. In order to cope with turing licence in anticipation of attain full control. According spring. matic vehicles. The company, of setting up JATCO was to company has mapped and matic vehicles. The company, of setting up JATCO was to company has mapped in manufacturers automatic achieve domestic production of to increase production lines at which manufacturers automatic transmissions.

which manufacturers automatic achieve domestic production of to increase production lines at transmission, was capitalised at automatic transmissions. Its Hofu factory, JATOUS automatic transmissions. It is Hofu factory. JATOUS automatic transm

Advance in profits for Bahrain banks

AHRAIN'S two biggest retail banks have reported increases profits for the first six month The National Bank of Bahrair

earned Bd 1.88m (\$4.9m); or 61 per cent more than in the sauk period last year, while the Bank of Bahrain and Kuwait (BBK, earned Bd 1.06m (\$2.8m), for an increase of 23.3 per cent. While the seven year-old Band, of Bahrain and Kuwait appear. to be growing more rapidly that the older established Nations Bank, the two are not directly omparable. BBK is the only ocally incorporated bank to

have a foreign branch and it. consolidated bilance shee includes both the year old Knwait operation and the off shore banking unit, the Bahrah Commercial Bank Consolidated assets have M National Bank's assets

National Bank's assets a
Bd 188.17m were Bd 20n
down on June 1978 and
Bd 48m down on December.
This was attributed by Mf
John House, the genera
manager, largely to an Intermarket activities, resulting from sharp fuctuations in the interest rates of regions currencies in which NBB design The loan volume increased or more than Bd 10m from Bd 550 in June 1978 to Bd 95:67m a the end of last month. At figures are unaudited and sub-

#### Ovenstone rights terms

ject to adjustment.

CAPE TOWN - Ovenston Investments has proposed rights issue of some 34.42a ordinary shares of 12.5 cent each, on the basis of 180 new ordinaries for every 100 half on register at July 20, at a prior

of 25 cents a share.

The offer, which will raise R8.6m (equivalent to about \$10m), will open on July 27 enc close on August 17, with result o be announced on August 27 The participation of ordinary shareholders apart, holders convertible \_ redeemab cumulative preference shares. R1 each will be entitled to new ordinary shares for ever 100 of 8.5 per cent preferent held, and to 144 new ordinate

## Palm oil plant venture

cause of foreign exchange our Financial Staff writes

Officials said sales of agricul. Rubota last month announced tural machinery were Y20820bn, a net profit for the parent com-

down 4.3 per cent from the pany alone of Y19.71bn, to show

previous year's level; pipes a gain of 5.4 per cent on the Y153,00bn, up 13.8 per cent, year, after a fall of 13.8 per cent, year, ye

Y111.17bn, up 17 per cent; and sales were up 4.2 per cent to housing equipment ¥57.33bn, up Y482.96bn.

down in Japan bankruptcies in June fell to 1.253 from 1,367 in May, and from 1,325 in June last year, the Tokyo Commerce and Industry Research Company said. .

But, the company, whose figures are used by the Bank of Japan for bankruptcy statistics, said that debts involved in June totalled Y205bn (\$945m) up from Y152bn in May, and from Y161bn in June last year.

The rise in debts resulted from two big bankruptcies, each debts exceeding involving

New Issue

BY WONG SULONG IN KUALA LUMPUR Meanwhile, Negeri Sembilan

DUNLOP ESTATES Berhad has entered into an agreement Oil Palms (NSOP), a quoted with three partners to build company on the Kuala Lumpur and operate a palm of refining exchange has announced a and fractioning plant in Johore three-for-two scrip issue to capi-A new company involved, Segemat Edible Oils, has an authorised capital of 10m ringgit (equivalent to 1354.6m).

and an expected paid-up capital of 6m ringgit. Dunlop will hold .25,4 per cent of its equity. The other partners are Tab-Timeran.

partners are Tab-Timeran. Tabong Haji (the Malaysian Pilgrims Fund) and the German Wessanen Overseas

talise on the 17.5m ringgit surplus arising from the revalua-

tion of its estates: • Reuter reports from Singapore that Overseas Union Bank has announced that its one-forsix rights issue of 12.83m shares at S\$2 for each S\$1 share closed oversubscribed.

The issue, plus a simultaneous one-for-six scrip issue, shares for every 100 of 11 raised the pald-up capital of the cent preference held. bank to S\$102.67m, from S\$77m. Reuter

## **National Westminster Bank** Limited

U.S. \$100,000,000 Floating Rate Capital Notes 1994



County Bank

Banque Nationale de Paris

Banque Populaire Suisse

Kidder, Peabody International

Swiss Bank Corporation (Overseas)

Credit Suisse First Boston

Banque de Paris et des Pays-Bas

Crédit Commercial de France

Morgan Stanley International

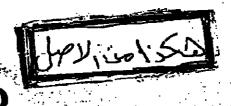
Union Bank of Switzerland (Securifies)

Westdeutsche Landesbank Girozentrale

Handelshank NW (Overseas) Limited

Global Bank A.G

# CURRENCIES, MONEY and GOLD



TRLING continued to improve figures for June pushed up the inst other major currencies, rate to \$2,2460 during the closed at its best level afternoon despite the fact that inst the dollar for over four the underlying frend was a salthough starting showed somewhat gloomier. Afte close overall rise, its improvement sterling stood at \$2,2415,22425, mainly a reflection of the a rise of 1.3 cents from Friday, itser dollar. The U.S. unit sterling stood at \$2,2415,22425, and its highest closing level spicen to President Carter's overall improvement was reflected to President Carter's overall improvement was reflected in its trade weighted sures announced were index which rose to 71.3 at the close from 71.0, having stood at 11 at noon and in the merning lack of short-term benefit.

2 attainst the \$

the possibility of difficulties of the Belgian frame is pushing measures through trees. The dollars trade ighted index on Bank of clarer's energy speech saw the bland squres, fell to 84.3 from 5 on Friday. Against the sark it fell to DM 1,3200 from 1,824.55 on Friday but other currencies improved against the last of the Belgian frame is BFr 16.0470.

HILAN—Relation to President dollar fall to 1829.45 from 1,824.55 on Friday but other currencies improved against the line. 1.8245 and to SwFr 1.8460 m SwFr 1.6510 in terms of

terling opened at \$2,2275 and week at \$217.70 against the yen ped briefly to \$2,2270 before after a generally mixed receptroving on a weak dollar to tion to President Carter's energy proving on a weak donar to speech.

fixed at its lowest level since January yesterday at DM 18200 compared with Friday's level of DM 18314, and significantly, there was no intervention by the Bundesbank at the fixing. Trading was nervous with dealers still unsure as to whether president Carter will be able to push through Congress the measures outlined in Sunday's speech. Trading took place within a fairly narrow range of DM 1.8175 and DM 1.8280.

BRUSSELS - The Belgian franc maintained a steady look CURRENCY MOVEMENTS despite the latest increase in West German interest rates The D-mark was quoted at BFr 16.0300, having risen to BFr 16.0400 earlier in the day. The D-mark's colling in terms

TOKYO—The dollar closed virtually unchanged from last

		·			<u> </u>		
M:	S El	JRC	PEA	N CUR	RENCY	UNIT RATES	
•		7 7 7	ECU - contrat rates	Citroncy amounts against ECU July 16	% change from central rate	% change	
	Franc Krone D-Ma	rk	39.4582 7.66592 2.51664	40,4823 7,28925 2,52524	+2.60 +2.46 +0.58	+1.45 ±1.53 +1.31 ±1.635 -0.56 ±1.1329	

Changes are for ECU, therefore positive change da weak currency. Adjustment calculated by Financial

THE POUND SPOT AND FORWARD

July 16 ,	Oay's Opresd	Close	One month	% p.a.	Three : months	%, p.a.
 U.S. Canada Nothind, Balgium Denimark Ireland W. Ger. Portugal Spain Italy Norway France Swedon Japan Austria Switz, Salnii	2.2270-2.2480 2.5890-2.5080 4.469-4.501; 85.00.35.45 11.68-11,76 1.0760-1.0790 4.05-4.09 102.65-109.20 147.40-148,15 1831-1833 11.24-11.33 9.479-53 9.479-53 9.479-53 9.479-53	2.2415-2.2425 2.5880-2.5890 4.683-4.493- 85.30-65.40 11.74-11.75 1.0775-1.0785 4.073-4.083- 708.90-108-10 148.00-748-10 1638-1839 71.313-71-323- 9.52-9.53 9.48-9.49 25.9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53 9.52-9.53	31-22pf pm 30-90c dis 100-130c dis 3-5 lire dis 5-3 ore pm 21-14c pm 31-11- ore pm 4.35-4.06y pm 22-12 gro pm 42-34c pm	3.62 3.69 5.01 par 0.777 -3.90 8.87 -9.32 -2.61 4.24 2.83 3.16 6.81 13.82	1.90-1.80 pm 2.05-1.95 pm 5':-44 pm 20-10 pm 14-7- dis 87-97 dis 80-180 dis 80-180 dis 8-11 dis 13-11 pm 41-34 pm 74-54 pm 10-20-9.90 pm 12-1-11, pm	3.30 4.23 0.92 -4.64 -3.04 -7.77 -8.65 -2.07 4.24 1.78 2.74 8.27 6.78
56161	BUS 18 19 101	CONVERTIBLE 118	nes. Financial fra	nc 68	.90-89.05c pm	•

THE DOLLAR SPOT AND FORWARD

July 16	Day's spread	Clase	One month	% p.a.	Three months	9.8 p.8
UKI	2,2270,-2,2460	2,2415-2,2425	0.78-0.68c pm ·	3.91	1,90-180 pin	3.3
reland†	2.0705-2.0800	2,0770-2,0800	1.40-7.20c pm	7.51	3.40-3.10 pm	6.2
tebend	86,10-85,18	86.15-B6.18	0.05-0.03c pm	0.56	0.08-0.05 pm	0.3
lethind.	2.0025-2.0125	2.0030-2.0050	0.03-0.23c pm	1.59	0.62-0.52 pm	1.1
Seiglum	29.17-29.20	29.18-29.20	51-81-c dis		15-18 dis	-22
Denmark	5.2300-5.2400	5.2385-6.2400	1.00-1.50 ore dis.		5.00-5.50dis	-4.0
V. Ger.	1.8185-1,8207	1.8197-1.8207	0.79-0.69pf pm		1.99-1,89 pm	4.3
ortugal	48.55-48.第	48.55-48,65	35-46c dis	-9.87		- <u>9.</u> 0
pain	66.05-66.18	66.06-66.10	95-110c dis			-15.2
tsiy	820.30,821.50	820.30-820.70	4,00-4.75 line char		70.5-11.5dis	
O/Way	6.0345-5.0505	5.0495-5.0505	0.50 ore pm per		1.50-1.00 pm	0.5
rance	4.2420-4,2475	4.2450-4,2475	0.25-0.35c dia	-0.85	1.50-1.05dis	-17
Weden	4.2280-4,2440	4,2305-4,2315	0,30-0,23c pm·		1.15-1.35dis	
apan	216.60-217.25	216.80-217.00	1.25-1.10y pm		2.75-2.60 pm	
Billau	13,335-13,365	T3.355-13.365	4.80-4.30 gro ptn		11.75-10.25pm	
WILZ.	1.8455-1.6497	7.6455-1.6465	1.45-1.41c pm :		3.92-3.87 pm	
UK, In	elend and Can	аба ого пного	ed in U.S. current	ICV.	Гопиаго плеп	n u m

CURRENCY RATES + 18.9 + 18.5 + 2.7 + 45.6 + 81.6 + 18.3 - 7.5 - 49.0 + 29.5

OTHER MARKETS

2542-2562 1134-1143 Austria 1.9885-1.9895-0.8855-0.8875 Stellgium 57.84-58.84 25.80-26.25 Denmari 8.62-8.63 33470-37-00 Germany 1.5556-11.5789 1500-1550 Medium 1.5556-11.5556 29.0-30.0 68.0-69.0 11.60-11.75 9.35-9.50 Finland Markka 8.62.8.63 3.3470 3.3490 France
Greek Draphma 80.680.82.614 35.00.37 00 Germany
Hong Kong Dollar 11.5588.21.5789 5.1500.5.1540 Italy
Iran Rial 159.70.166.35 72.75 Jepan
Kuwait Dinar KD 0.610.0.820 0.2757.0.2758 Notherlands
Luxembourg Frc. 65.30.65.40 29.15.29.17 Norway.
Malayara Dollar 4.825, 4.835, 2.1625.2.1635 Portugal
New Zealand Dir. 2.1950.2.2010 0.9790.0.9815 Spain
Saudi Arab, Riyal 7.44.7.54 3.3575.3.3885 Spain
Singapore Dollar 4.825, 4.835, 2.1625.2.1635 (Arated States
Sth. African Rand 1.8870 1.8970 0.8415.0.8450 Mageslavia.

Rate given for Argentina is the rate

CHAN	GE C	RO!	SS	RAT	ΓES

. :		· <u>:</u> :							<u> </u>			
. '	July 16	· · :	PoundStarling	V.S. Dollar	Delitschem K	dapan sa Yes	FrenchFranc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Beigian Fran
	ind Starting Dollar		-0.446	2,242	4.083 1.831	488.9 216.8	9.525 4.248	3.690 1.646	4.493 2.004	1839. 820.0	2.599 1.159	65.35 29.15
	rtschemerk anese Yeb 1,00		0.245 2.056	0.549 4.613	8.400	119.0 1000	2.333 19.60	7.904 7.593	1.100 9.244	450.3 . 3785.	0.536 5.347	16.01 184.5
	eck Franc 19 es Franc		1.050 0.271	2.354 0.608	4.286 - 3.106	510.2 232.7	10. 2.582	3.874 1.	4.717 1.217	1930. 498.2	2.728 0.704	68.61 17.71
	ch Guilder ian Lira 1,000		0.225 0.544	0.499 1:219	0.909 2.221	208.2 264.3	2.120 5.181	0.821 2.007	1. 2.444	409.2 1000.	0.578 1.413	14.55 35.55
	adian Dollar dan Franc 180		0.385 1.680	0.963 3.431	1.571 6.247	187.0 743.7	3.555 14.58	1.420 5.647	1.729 6.875	707.5 2813.	1. 3.976	25.15 100.

JRO-CURRENCY INTEREST	F. RATES#C. (##DOLECT	igan Sajesto in Mario i	•	1	
The following nominal rates were quotes	d for London dollar certificate	s of deposits one month 10.	15-10.55 per cent; three mon)	his 10.50-10.60	per cent;
this 10.50-10.60 per cent; one year 10.25-	10.35 per cent.			·	
July 16 Sterling U.S. Dollar	Capadian	West German		Asian 3	Japanese Y
July 16 Sterling U.S. Dollar	Dollar Dutch Guilder	Swite France Mark	French Franc Italian Lira	ASIAN P	Japanese 1
702 - 102	7:00: 101-	9 4 57.52	10.101 19.17		_11a.4

rths 10.50-10.60 per cent; one year 10.25-10.35 per cent.							
July 16 Sterling U.S. Dollar Polisi	Dutch Guilder		West German Mark	French Franc	Italian Lira	Asian 3	Japanese Yen
ort term	9.914 9.914 918.935 92.91 91-107	16 16 78 1- 16 1 16 216 275 216 275	5 12 5 16 5 12 5 5 19 5 12 5 5 19 5 18 6 19 6 18 6 18 6 18 6 18	10-10-2 10-10-2 11-3-11-5 12-12-4 18-5-12-5 12-6-12-1	12-17 16-19 16-171 <sub>2</sub> 151 <sub>4</sub> -161 <sub>4</sub> 15-16 14-15	1012-1058 1058-1054 10-2-101 10-10-101 1012-1058	-118.4 218.414 4.2.515 517.511 6.3.615

Long-term Eurodoller: two years 10-10%, per cent; three years 91-10% per cent; flour years 91-10 per cent; five years 91-10 per tent nominal closing rates at-term rates are cell for sterling, U.S. dollars and Canadian dollars; two-day call for guidess and Swiss trans. Asian rates are closing rates in Singapore.

#### ITERNATIONAL MONEY MARKET

# Rates remain firm

mk of Japan held a meeting uid speculation that Japan's scount rate may soon rise

pected to lead to a rise in the scount rate in the near future. ssibly this week, and com-nits by the Finance Minister flowing the meeting did liftle allay these suspicious. The mk of Japan last increased its scount rate in April to 4; per

onth Treasory certificates rose of about FFr 3bn of first category 12 per cent. One-month and paper by the authorities on omonth were previously Friday. Period rates were easier 4 per cent, and three-month however, with one-month 6 per cent. The Belgian declining to 91-92 per cent from

interest rates continued to rise National Bank regarded this as several European centres a technical move following a rise sterday, while Japan's Finance to over 12 per cent in domestic mister and the Governor of the interest rates at the end of last a technical move following a rise week, making Treasury paper uncompetitive Call money eased to 10-12 per cent from 101-121 per the may said the upward movement cent, but other rates were firmer. One-mouth rose to 12-121 per crease in Japanese wholesale cent from 111-1111 per cent. Idiationary fears in Japan are from 111-121 per cent six-month peried to lead to a rise in the to 111-117 per cent from 111-118 per 114 per cent; and 12-month to 104-104 per cent from 104-101 per

PARIS Day to day money rose to 91 per cent from 91 per cent yesterday, following the rise in Treasury bill discount rates last the treasury bill discount rates last the treasury bill discount rates last the treasure of the nt from 3/ per cent. week. This was despite the inree-month at 9/-10 per cent iVSSELS—interest rates on increase in money market e-month, and three—liquidity following the purchase per cent from 9/-10/ per cent.

91-10 per cent; three-month to 10-1-10-10 per cent; six-month to 10-1-10-10 per cent; six-month to 10-1-10-10 per cent from 10-1-10 per cent; and 12-month to 10-1-11 per cent from 11-11-1 per cent from 11-11-10 per cent from 5.50-5.60 per cent from 5.50-5.90 per cent while one-month was unchanged at 6.15-6.30 per cent and three-month at

per cent and three-month at 6.75-6.85 per cent. Six-month funds eased to 7.10-7.30 per cent from 7.30-7.40 per cent, and 12-month to 7.30-7.50 per cent from 7.50-7.60 per cent.

AMSTERDAM — Call money rose to 91-91 per cent; while one-month was unchanged at 91-92 per cent; and three-month at 91-10 per cent. Six-month funds rose to 10-101 MILAN-Money market rates were unchanged, with one-month at [1]-11] per cent; two-month at [1]-11] per cent; and three-month at [1]-11] per cent.

K MONEY MARKET

# Small assistance

Bank of England Minimum: Lending Rate 14 per cent (since June 12, 1979) 

lending a small amount to one or two houses, overnight at Bank of England Minimum Lending Rate

sistance by beying a small bills to finance, and a small in-under of Treasury bills from crease in the note circulation. e Discount houses, and by Discount houses paid 131-14 per

cent for secured call loans in the early part, with closing balances taken at 13-134 per cent. In the interbank market over-

night loans commanded 137-14 per cent, before falling to 12) per cent in the afternoon, and closing at 14) per cent. Bates in the table below are nominal in some cases.

ONDON MONEY RATES

July 16 Certificate 1979 of deposit	Interbenk	Authority deposits		House Deposits	Debosita	market deposit	Treasury Sills 6	Bank Bills 6	Trade Bills &	
traight was notice a sys notice a sys notice a sys notice a sys notice at months 140, 14 se months 14, 15, 15, 16, 15, 16, 16, 16, 16, 16, 16, 16, 16, 16, 16	1312-1416 1378-1418 14-1418 13-1418 13-1418 13-1418 18-13-15	187 <sub>8</sub> -14 187 <sub>8</sub> -14 15-151 <sub>8</sub>	1436 1454 1418 1414 15	1456 1456 1456 1456 14 151 <sub>2</sub> 151 <sub>4</sub>	141g 143g	185g	13 13 13 13 13 13 13 13 13 13 13 13 13 1	14 2 }	14 12 14 32 14 32 14 14 14 19	

Local authority and Roance houses seven days notice others seven days fixed. Long-term local authority morigage to manifely three years 122-125 per cent. Four years 124-13 per cent. Four years 122-132 per cent. Tour-months in trade table are buying rates for prime paper. Buying rate for four-months bank bills 132 per cent. four-months trade 142 per cent.

Approximate setting rate for one-month freezery bills 132-1332 per cent. Into-months 1334 per cent, three-months per cent. Approximate setting rates for one-month bank bills 14 per cent. Into-months 1334-1352 per cent, and three-months per cent. Approximate setting rates for one-month bank bills 14 per cent. Into months 134 per cent, and three-month 144 per e-month, 134 per cent. One-month trade bills 143, per cent, two-months 142 per cent, and three-month 144 per e-month, 134 per cent. One-month trade bills 143, per cent, two-months 1354 per cent, and three-month 144 per e-month, 134 per cent. Set Base Base (published by the Finance Houses Association) 13 per cent from July 1, 1375. Clearing Finance House Base Base (published by the Finance Houses Association) Bank Bases for lending 14 per cent. Clearing Sank Bases for lending 14 per cent.

# Record

Gold rose to a record closing level in the London bullion market resterday at \$2921-2931, a rise of \$41 an ounce from Friday. After opening at \$290-2901, the metal rose on doubts over President Carter's energy measures, and at one point during the afternoon it touched an all-time high of \$2921-2931. In later trading in

101À 10	July 19							
ld Bullion (fine								
\$29242-2934	<b>62873</b>   -2 <b>88</b>							
E180.4-188.71	12129.3-129.7) 1528954-2901							
£158.4-160.7)	) £ 130.2-130.6)							
\$291.40	5288.60							
£130.497)	£129.516)							
(C202 HI)	5287.45 (£129.558)							
Gold Doins, domestically								
d <u>. 12</u> 301-33314 (21341-1351)	\$2961 <u>2</u> 2981 (£133;-134)							
	d Bullion (fine 							

Gold Crans, Internationally Gold Coins, Internationally
Krugerrand, \$30114.3034, \$29519-39819

\$2134, 1353, 12133, 1341
New \$76-78 \$7419-7619
Sovereigns \$2331, 2343, \$62319, 3441
Sovereigns \$2331, 2343, \$62319, 3441
\$1014, 1034, \$95-97
\$200 Engles, \$245-461, \$2424, 4354, \$20 Engles, \$4189-4211, \$417-422
\$10 Engles, \$235-240 \$234-239
\$ Engles, \$2170-175 \$169-174

New York it was quoted even higher at \$294-294. In Paris, the 121-kilo bar was fixed at FFF 41,800 per kilo (\$306.30 per opince) compared with FFF 41,800 (\$305.27) in the morning and FFF 41,600 (\$303.40) on Friday afternoon. In Frankfurt the 124-kilo bar was fixed at DM 17,065 per kilo (\$291.89 per ounce) against DM 16,945 (\$287.67) previously.

MIGNEY RATES

NEW YORK	11.5
Prime Rate	10.5625
Fed Funds	9.33
Treasury Bills (13.week)	9.18
Treasury Bills, (26-week)	3.10
GERMANY	_
	5
Overnight Rage	5.55
One month	6,440
Three months	6.80 ·
Six months	7.20
FRANCE	
Discount Rate	9.5
Overnight Rate	9.5
One month	9.8125
Three months	10.125
Six months	10.75
JAPAN	4.25
Discount Rate	4,23 5,5826
Call (Unconditional)	
Bills Discount (three-month)	0,4125

#### WORLD VALUE OF THE POUND

(Bas) basic rate; (bg) buying rate; (Sk) bankers' rate; (cm) commercial rate; (cn) convertible rate; (fn) finanotherwise. In some cases market rates thave been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the Exchange in the UK and most of the countries listed is officially controlled and she rates shown should not be taken as being applicable to any par-

Application	PLACE AND LOCAL L	VALUE OF STERLING	PLACE AND LOGAL UNIT	VALUE OF	PLACE AND LOCAL UNIT	VALUE OF "
Anderra. D. 10.188 Anderra. French Franc	Afrikanistan Aferra:	04.00	Casaland Banks Vance	·,		
Anderra.   Dimarch France   Sanshish Person   Sa	Arcenia Lek	1 10.129	Grenada (Si E. Caribbean \$	6.509	of Yeman (Si S. Yemen Dinar	(A)0.7656
Summer   S	Algeria Dinar	8.6398	i Guadaloupe Local Franc.	9,525	Peru Sci	exc A:502.45
Summer   S	Andorra	h Peseta 148.05	Gustemala Quetzai	2,2420	Philippines Philippine Peso	10.50
Argentinis A. Peac Free Rate 2,900 Austrie Schilling 29,900 Basharani St Divar 19,900 Basharani St	Angola Kwanza	60.118	Guinea Republic Sily	· 42,573	Pitcairn Islands /S, New Zoaland S	
Austreian S. Austreian S. Austreian S. Austreian S. Austreian S. Austreian Portug. Ecoudo Portug. Ecoudo Portug. Ecoudo S. Austreian S. Dollar S. Austreian S.	Argentina Ar Pero	bean 5 9.059	Guyana IS: Guyanaga S	75.834	Poland., Zloty	1 (Cm:63.38
Austral			1 -		Portugal Portugu'se Escudo	109.00
Beshamas   S.   B.   Dollar   S.   S.   S.   S.   S.   S.   S.   S	l Austria Schilling	. 29.945	Haiti Gourd	11.21	i Port Timor Timor Escudo	. 109.00 -
Sangladesh(S)			Hong Kong (S) H.K. S	11.565	Principe Mands Portugu se Escudo	2 2420
Salar   Sala	Bahamas (\$) Ba. Dolli	RF   2.2420	Hungary Forint	'com: 77.50		
Baleanic Seles   Sp.   Pesetta   148,05   Ind. Ruppe   17,47   Rhodesian   1,549   Registrance   15,549   Registrance   15,449   Regist	Bahrain (S) Dinar	0.856			Reunion lie de la French Franc	
Belgium   B. Franc	i Balearic Isles Sna. Per	eta 148.05	India (\$) I- Krona		Rhodecia Rhodesian s	1.5548
Segitz			Indonesia Rupian	1,401	Roma <b>ala</b> Leu	
Selection		1 (m 69.00	l Iran Riai	164.71		200.3
Sermuck 15    Sed s   2.5420   Shutan   Indian Rupes   17.67   Ise)   Shutan   Indian Rupes   Indian Ru	Belize B S	4.484	Irish Recublic iki Irish £		St. Christopher (S) E. Caribbean 8	
Shiftah   Indian Rupse   17.67   (al.)	Bermuda (S) Sda S	anc   4754 9 9490	israel   israel E	· 57.51	St. Helena St. Helena 🗈	1.0
Solvian   Pepo	Bhutan Indian R	upes : 17.67 (sd)	ItalyLira	1.838.5	St. Lucia E. Garibbean >	
Series   Colon   Series   Se	BOIIVIA BOKVIAR	Page 44.84	( )	-	St. Vincent St E. Caribbean S	6.059
Brunel   S.   Brunel   S.   Bulgaria   Lav   1,7830   1	Brazil Cruze-re	1.8567	Jamaica (S) Jamaica Dollar		Salvador El Colon	5.605
Stume   Stum	Brit. Yirgin Islas S. U.S. 5	2.2420	Japan Yen		Samoa American U.S. >	
Surundi	Brunei (S) Brunei \$				Sao Tome Portugese Escudo	109.0
Burundi	Burma Kvat		Kenya (S) Kenya Shilling	16.535	Saudi Arebia Ryal .	7.49
Cameroon Republic C.F.A. Franc Canadian 3   2,0986   2,	Burundi Burundi	Franc 199.595	Korea (Nth) Won	1,94(1)	Senegal C.F.A. Franc	
Canary Islands   Sansair Peseta   148.05   1,866   1,866   1,865   1,865   1,866   1,865   1			r Korea istni won		Sierre Leone Si Leone	2.3502
Cape Verdic   sec. 2p V   Escudo Capy V   Escudo Capy N   Secudo Capy N   Se	Canada Canadi - :	. C COPE	1	0.618	Singapore (S) Singapore S	4.8325
Cayman Halands (S. Qay, Is. S. Gape, V. 1. Educido Cayman Halands (S. Gape, V. 1. Educido Cayman Halan	Canary islands Spanish	Peseta 148.05	Laos Kip Pot Po			19.924
Capter   C.F.A. Franc	CAPO YOUR IND CADE V.	ESCUDO 81.865	Lebanon Lebanese £		South Africa (8) Rand	1.8920 7
Challe   C. Peac   C. F.A. Franc   Chile   C. Peac   C. F.A. Franc   C. F.A.	Cant. Af. Empire C.F. a. F.		Liberia Liberian \$		South West African	<u>-</u>
Chiles	Chad G.F.A. Fr		i Libva Libvan Dinar	0.6637	Territories (Sr. S. A. Rand	
Compror islands	Chile C. Peso	: (Bk) 87.36	1 Liechtenstein Swiss Franc			146,03
Congo (Braz avrille) C. F. A. Franc   47614   Additive   Portug'se Escudo   109.00   47614   Surinam   S. Guidder   4,0152   Cuba   C	Colombia C Page		I .		i Spanish ports in North Africa Peseta	148.05
Costs Rca.   Colon   19.818   1.5052   1.5052   1.5052   0.7750   Malagasy Republic MG Franc   1.775   Surinam S. Guilder   4.0152   Malagasy Republic MG Franc   1.775   Surinam S. Guilder   4.0152   Malagasy Republic MG Franc   1.775   Surinam S. Guilder   4.0152   Malagasy Republic MG Franc   1.775   Surinam S. Guilder   4.0152   Malagasy Republic MG Franc   1.775   Surinam S. Guilder   4.0152   Surinam S. Suri	Comoro Islands C.F.A. Fr	anc : 47614	Macao Pataca	11.905	Sri Lanka (S) S. L. Rupee	
Cyprus   C	Congo (Braz'aville) C.F.A. Fr	anc 4751	Madeira Portugisa Escudo	109,00	Sudan Republic Sudan 1	(A)0.7809 -
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Derlimark   Danish Krone   11,745   Martin que.   Local Franc   9,525   Taiwan   New Taiwan   (PiB0.718   Martin que.   Local Franc   9,525   Taiwan   New Taiwan   (PiB0.718   Martin que.   Local Franc   9,525   Taiwan   New Taiwan   (PiB0.718   Martin que.   Local Franc   1,745   Martin que.   1,745   Martin	Cyprus (St Cyprus f		J Malavein (S) Rinodit	4.8325	Sweden S. Krona	
Derlimark   Danish Krone   11,745   Martin que.   Local Franc   9,525   Taiwan   New Taiwan   (PiB0.718   Martin que.   Local Franc   9,525   Taiwan   New Taiwan   (PiB0.718   Martin que.   Local Franc   9,525   Taiwan   New Taiwan   (PiB0.718   Martin que.   Local Franc   1,745   Martin que.   1,745   Martin		( (com · 11.25	Maldive Islands (S) Mai Rupee	8.8111	Switzerland Swiss Franc	5,69
Derimark   Danish Krone   11.745   Marritania   Ouguiya   19.5.93   Tanzania isi.   Tan. Shifting   18.235   Tanzania	Czechoslovakia Koruna	n/c 22.50	Malta (S). Maltese 1		Syria Syria £	IA/B,8025
Definition   Def			i Martin que Locai Franc	9.525		
Dominical (Si	Denmark Danish K	rone 11.745	i Mauritania Ougurya I		Tanzania (\$ Tan. Shilling	
Equador   Sucre   10   15.72   Monagolia   Tugrik   Sucre   15   62.776   Monagolia   Tugrik   Sucre   15   62.776   Monagolia   Tugrik   Sucre   15   62.776   Monagolia   Tugrik   Sucre   Sucr   Sucre   Sucre   Sucr   Sucre   Sucr   Sucre   Sucr   Sucre   Sucr	Dominica (S) E. Caribi	Men 8 6 050	Mayica Maxican Pero		Toga Panuble C.F.A. France	
Equador   Sucre   10   15.72   Monagolia   Tugrik   Sucre   15   62.776   Monagolia   Tugrik   Sucre   15   62.776   Monagolia   Tugrik   Sucre   15   62.776   Monagolia   Tugrik   Sucre   Sucr   Sucre   Sucre   Sucr   Sucre   Sucr   Sucre   Sucr   Sucre   Sucr	Dominican Repub. Dominica	In Peso 2.2420	Micuelon C.F.A. Franc	4764	Tonga Islands S Palanga	1,9924
Egypt	Equados Suesa	10) 55.72	Monaco French Franc	9.525	Trinidad (S) Trinidad & Tob' \$	5,3808
Equatorial Guinea. Peseta 148.05 (P; 4.6462   Morocco.		· (F) 62,776	Mongolia	(0)5.930(1)	Tunisia Tunisian Dinar	0,870(6g)
Ethlopia	Egypt Egyptian		Morocco Dirham	8.40(sq)	Turks & Caicas U.S. &	
Faikland Islands (S Faikland Is. £ 1.0   Nauru	Ethiopia Ethiopiar	148.05 Birr   (B. 4.6462	Mozambique Moz. Escudo	65.096	Tuvalu Australian S	1.9875
Nepal   Nepal   Nepalese Rupee   26.904   Netherlands   Nepalese Rupee   26.904   Netherlands   Nepalese Rupee   26.904   Netherlands   Nepalese Rupee   26.904   Netherlands   Nether			No Australian Ballan	1 0075	Uganda (S) Uganda Shilling	15.0(sg) 🚡
Fiji Islands   Fiji	Falkland Islands (S Falkland		Nenal : Nenalese Runes	1.9015	United States L.S. Dollar	
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French Guiana Local Franc         9.525         New Zealand (St N. Z. Dollar         2.1980         Validan	France French F	гале 9,525	New Hebrides Franc.		U.S.S.R Pouble	
French Pacific Is. C.F.P. Franc 173.182 N.caragua Cordoba 22.40 Valcan	FrenchC tyln Af* C.F.A. Fre		New Zealand (S) N. Z. Dollar			
Gabori C.F.A. Franc 4761, Nigeria (S) Naira 1.2610.34(sp) Vietnam Dorg (0.4.8876	French Pacific Is. C.F.P. Fr		Nicaragua Cordoba	22,40	Vaucan italian Lire	185812
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Germany (West) Deutsche Mark 4.0825 Oman sur ate of isi kiai Omani 0.770   Western Samoa (S) Samoan Tala 19.696	Germany (West) Deutsche	Mark 4.0825	,			
Ghana (5) Cedi 6.13 sg)   Pakistan Pakistan Rupee 22.10   Yemen Pyzi 10,08 sg)	Gharia (5) Uedi	6_12 (sp)	Pakistan Pakistan Rupee		Yemen Pyzi	10,08(sg)
Gibraltar (K), Gibraltar £ 1.0 Panama Balboa 2.2420 Yugoslavia New Y Dinar 42,5257 Gibert Islands Australian \$ 1.9875 Papua N. Guinea/S/ Kina 1.5840 Zaire Republic Zaire 3.4265	Gibert Islands Australiai	n \$ 1.9875	Panama Baloca   Panus N. Guines/S: Kine			42,023 / ] 3.4945
Gifteert Islands Australian \$ 1.9875 Papua N. Guinea/Si Kina 1.5840 Zaire Republic Zaire 3.4265 Greece Drachma 81.647 Paraguay	Greece Drachma	81.647	Paraguay Guarani		Zambia	
That part of the French community in Africa Jamesty French West Africa or French Equatorial Africa. †Punner par pound. †Gorgan) sales of ordered	<del></del>		· <del></del>		<u></u>	

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U.S. \$25,000,000

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Greenshields Incorporated Hambros Bank Limited Hessische Landesbank Grozentrale Hill Samuel & Co. Limited
IB] International Limited The Industrial Bank of Kuwait (K.S.C.) - Istituto Bancario San Paolo di Torino Japan International Bank Limited
Kansailis-Osake-Pankki Kleinwort, Benson Limited Kredietbank N.V. Kredietbank S.A. Lusembourgeoise
Kuhn Loeb Lehman Brother: Asia Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Kuwait International Investment Co. s.a.k.
Kuwair Investment Company (S.A.K.) Larard Brothers & Co., Limited Lazard Frères et Cie. Manufacturer: Haraver Asia, Limited
Mitsubishi Bank (Europe) S.A. Mitsui Finance Europe Limited Samuel Montagu & Co. Lamited Morgan Grenfell & Co. Lamited
Morgan Stanley International Limited The National Bank of Kuwatt (S.A.K.) New Japan Securities Europe Limited
The Nikko Securities Co., (Europe) Ltd. Nippon European Bank S.A. The Nippon Kangyo Kakumaru (Europe) Limited Nomura Europe N.V.
Norddeutsche Landerbank Girozentrale Okasan Securities Co., Ltd. Österreichische Länderbank ()-terreichische Volksbanken Aktiengesellschaft
Sal. Oppenheim fr. & Cie. Osakaya Securities Co. Lamited Peterbroeck, Van Campenhout Kempen S.A. Pierson, Heldring & Pierson N.V.
PKbanken Postipankki Privatbanken Aktieselskab N.M. Rothschild & Scins Limited Rothschild Bank AG
Salomon Brothers International Sanwa International Finance Limited Sanyo Securities, Co., Ltd. Scandinavian Bank Limited
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Skandinaviska Enskilda Banken Smith Barney. Harris Uphum & Co. Incorporated Societé Bancaire Barclays Suisse S.A. Societe Générale
Sociéte Générale de Banque S.A. Société Séquanaise de Banque Strauw, Turnbuil & Co. Somitomo Finance International
Taiyo Kobe Finance Hongkong Limited Tokai Kyowa Morgan Grenfell Limited Trinkaus & Burkhardt
United Overstas Bank Limited, Singapore Vereins- und Westbank Aktiengesellschaft J. Vontobel & Co. Wake Securities Company Limited
S. G. Warburg & Co. Ltd. Wardley Limited Westdeutsche Landesbank Girogentrale Wood Gundy Lamited
Yamaichi International (Europe) Limited Yamatane Securitie: Co., Ltd.
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T -1 x x x x x

Indices

# Early Wall St. trading moderately active

PREMIUM

\$2.60 to £1—27, % (26, %) Effective \$2.2420 9.% (8, %) TRADING on Wall Street firmed American Coal rose 13 to 37%, in moderately active trading Occidental Petroleum 2 to 241 in after a weak start.

hit at the outset by a sharp drop in the dollar on President Exchange volume leader, 11 to Carter's energy message.

Closing prices and market reports were not available for this edition.

trend, they noted the market declined last week on expectations of a weak speech from President Carter. With that out of the way, analysts said, bargain hunting set in. Selected issues that should

benefit from specific energy programmes were also gaining, but there was little to spur the overall market in Carter's Kansas

The Dow Jones industrial average lost a fraction but advances led declines six to five on volume of 12m shares.

Volume leader IBM tacked on to 70 after touching a new low of 69 for the year on Friday. Last week 18M reported a 3.4 per cent fall in second quarter

July 13

**NEW YORK** 

Amer. Branda.....
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Amer. Cyanamid
Amer. Dist. Tel...
Amer. Elect. Pow
Amer. Express...
Amer. HomeProd

Amer. HomeProd Amer. Medical... Amer. Motors.... Amer. Nat. Ros... Amer. Standard...

Anchor Hocking | 1673 Anheuser Busch | 2212

A.S.A...... 26 1265q Asamera Oil....... 155g 1 151q

Barber Oil........... 3512 38 Basic Resources 7% 71

CBS ..... 5054 Celanese Corpn. 44 Central & S.W..... 1578

Chicago Bridge ..

Consol Foods...... Consol Nat. Gas..

G = Call

Among issues that could benefit from expanded use of coal and production of synthetic fuels and oil from shale, North American Coal rose 13 to 371. It reported a fiscal including Tokyo Sanyo Electric to AS4.05, while E-Zi Industries Deutsche easing 30 plennings to 509, Fujitsu 24 to 403 and Nippon Electric 26 to 355. Some oil, minings and trading assets.

Consider to 12 to 1371. It reported a fiscal including Tokyo Sanyo Electric to AS4.05, while E-Zi Industries Closed 17 cents lower. Among while in Stores Karstadt leat 150 and Nippon Electric 26 to 355. Some oil, minings and trading assets.

Consider to 12 to 1371. It reported a fiscal including Tokyo Sanyo Electric to AS4.05, while E-Zi Industries Closed 17 cents lower. Among while in Stores Karstadt leat 150 and Nippon Electric 26 to 355. Some oil, minings and trading assets.

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Consider to 12 to 1371. It reported a fiscal including Tokyo Sanyo Electric to AS4.05, while E-Zi Industries Closed 17 cents lower. Among while in Stores Karstadt leat 150 and Nippon Electric 26 to 355. Some oil, minings and trading assets.

Consider to 15 to noderately active trading occurement active trading. Combustion the market continued higher active trading 1\(\frac{1}{2}\) to 53\(\frac{1}{2}\), and Dyna-in active trading as the composite index rose 4.3 to 1.541.7.

> Railroads also advanced. Burlington Northern, which reported sharply higher second quarter net and raised the divi-dend, jumped 21 to 60! Norfolk

and Chessie System 1 to 301. Bank America and Chase Manhattan both added fractions on news of improved second

quarter profits.

Amex prices were mixed in moderate trading. The index added 0.50 to 196.59 but losses led winners by a small margin on volume of 1.89m shares.

Goldfield, which holds coal properties, added ! to 1; as the second most active stock. Gains some oil and gas properties from Mcsa Petroleum for CS200m. Mesa added ; to \$65; on the

Gurtise Wright. 151;
Dana 271;
Dana 271;
Dart Industries 445;
Deer e 385;
Deftona 12
Dentsply Int. 15
Detroit Edison 14;
Diamond Shmrk 25
DiGlorgio Corpn 121;
Digital Equip 541;
Disney (Wait. 55a;
Dover Corp 7 541;
Dresser 49;
Dresser 49;
Dupont 405;
Esgla-Picher 21
Eastern Airlines 8
Eastman Kodak 545;
Eaton 40

Holidzy (nrs...... 1842 Homestako ....... 3338 Honsywell....... 683e Hoover ....... 17

**EUROPEAN OPTIONS EXCHANGE** 

Hewlett Packard 935 5935

2912 2952 2912 2952 ..... 1612 1658 ..... 3712 3712 ..... 31 3153 ..... 5312 5318

Cook Paint and Varnish lost

Johns Manville... 247s Johnson Johnson. 72 Johnson Control. 27

Liggett Group. 343, Lilly (Ell). 553, Litton Industries 313, Lockh'ed Airerft 211, Lone Star Ind sts 341, Long Isl' nd Ltg. 171, Louistana Land. 354, Lubrizel 463, Lucky Stores 151, MacMillan 173,

Kraft 47 4518 Kroger Co... 211s 22 Lesseway Trans. 201s 203s Levi Strauss ... 551s 551s Libby Ow. Ford. 271s 275s

Marathon Oil....., 5712 673, Marine Midland, 19 19 Marshal Field..... 1814 1773 Marsh McLenn'n! 6134 1 6112

MGA 463 4712
MGDermott 1913 1912
McDonnell Doug 2618 2518
McGraw Hill 24 2412
Memorex 2812 2918
Merrill Lynch 1773 1814
Maga Petrolaum 65 6278
Minn Ming & Mtg 5458 55
Mobil Corpn 3814 3918
Mensanto 5112 5014

May Dept. Stores: 25

Mensanto 5112 Morgan (J. P. .... 4958

Morgan (J. P. ..... 495a Motorola ........ 425a Merphy Oll ....... 5814 Nabisco ....... 2314

Norfolk & West'n North Mat. Gas... Nthn. States Pwr Nthw. States Pwr Nthw St Bancorp Norton Simon... Occident'l Petrol. Ogilry Mather.... Ohio Edison......

Perkin Elmer.....

Petrolane ...... Pfizer ...... Phelps Dodge ... Philadelphia Ele.

Philip Morris....
Philips Petro'm.
Philips Petro'm.
Pilisbury....
Pitney-Bowes ....
Phitsion

Phillips Petro m. 38 s Phillips Petro m. 38 s Pillsbury 38 Pitney-Sowes 27 Putston 251 s Pleasey Ltd ADR 24 s

30 4 17 26:2 46:2 51:2 35:4

Nat. Distillers.... 2278 2258 Nat. Service Ind., 1651 1651 National Steel.... 5119 5159

Joy Manufacturg

#### Canada

Advances led declines 180 to 114.

Ram Petroleum fell 11 to 10. A subsidiary of the company has tested salt water in a Utah well. Among other oils, Canadian Superior at 133, Gulf Canada at 55] and Texaco Canada at 67 tose t, while Range Oil Canada gained 58 to 28i.

On a record London fix, gold issues were higher as Campbell Red Lake rose I to 221, Dome Mines I to 42 and Dickenson

Noon volume was 1,658,182 shares compared with 2,838,276 in the previous session.

#### Tokyo

onare prices closed higher in active stock. Gains of a point or more were related issues after President recorded by Research-Cottrel, Banister Continental and Dome Petroleum. Dome agreed to buy some oil and gas properties from Share prices closed higher in volume at 400m shares. The Tokyo Stock Exchange Index

closed at 439.56, up 2.26.
Share related to alternative

Revion. 4714
Reviolds Matals. 353;
Reynolds (R.J.) 591x
Rish son Merrell. 2134
Rockwell Inter... 5634
Rohm & Hass... 5912

Roya) Dutch...... 7314 RTE................................... 1034

Shell Transport... 324 Signa ...... 2712 

Triton Oil & Gas. 7.5

Union Carbide... UnionCommerce Union Oil Calli....

Warner-Lommn... 504 | 5058 | 5049 | 5058 | 5049 | 5058 | 5049 | 5058 | 5049 | 5058 | 5049 | 5058 | 5049 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5058 | 5

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Texas Eastern...
Texas Inst'm...
Texas Oil & Gas..
Texas Utinties...
Times Mirror...
Timken...
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Sun Co. 563a 553g Sun Go. 2714 2714 Super Valu Store 18 18 Syntax. 361g 365g Tandy Corpn 213a 21 Technicolor 141g 151g Tektronix. 523g 54

China is ready to begin negotia-East China Sea.

Steels and heavy electricals closed firmer on good earning prospects, with Hitachi up three to 233, Toshiba six to 149, Kawasaki Steel three to 125 and

Nippon Steel two to 118. However, some shipping lines and some oils closed lower on profit taking. The second market closed slightly higher with the

#### Australia

The telecommunications dispute continued to have a dempening effect on the market today, dealers said.

Operators were also holding off to see how Wall Street reacted to President Carter's energy speech and for the issue of the latest Australian cost of living figures later this week.

Western Mining rose AS2.44 from AS2.38 while Hartogen Mining rose from A\$1.65 to AS1.72.

t 439.56, up 2.26.
related to alternative of oil rose widely.

Queensland Mines ended 25 cents ahead at A\$3.90 and Kathleen Investments gained 10 cents

CANADA

July | July 13 | 12

Market leader BiEP closed tions with Japan on the possible & cents ahead, with the market joint exploration of oil in the anticipating a strong profit figure anticipating a strong profit figure when the annual results are released on Friday. Ansett lost a cent to A\$1,26 and TNT eased 2 cents to ASL34

CSR firmed 2 cents to AS3.57, while Bundaberg Sugart dropped 5 cents to AS4.25.

In Sydney uranium interests were well supported with leader Pan Continental rising 70 cents to AS14.10. Queenskand 25 to AS3.80 and Kathleen investments 10 to AS3.80.

Market leader BHP firmed 4 cents to AS9.36, with brokers predicting a substantial profit rise, if not a record, when BHP reports on Friday for the year

#### ended last May. Paris

The market was mixed in quiet trading as operators awaited Wall Street's reaction to Carter Energy speech, dealers said.

Oils and Electricals firmed, Chemicals and Mechanical Engineerings eased while Foods, Department Stores and Metals were mixed, and Banks, Insurances. Investments. Properties Cie Francaise des Petroles firmed FFr 2.70 to FFr 189.80 after announcing it will sell its unprofitable subsidiary Total

Suisse to Gatoil International Inc. Among foreign stocks, Americans, Oils, Coppers and Gold Mines were mixed, Germans were steady, and Canadians

#### Germany

Most leading shares on the Frankfurt bourse firmed though some registered slight hosses in late trading. Chemicals and Ekectricals firmer, while Autos werd: mixed, with BMW and Daimlei: easing

and VW gaining DM 3.50 against

NOTES: Overseas prices shown below exclude \$ premium. Belgiand dividends are after withholding tax.

• DM 50 denom unless otherwise tated yields based on net dividends also a series of the prices of the series of

DKr 100 denom, unless otherwise

Stated.

Swir- 500 denom. and Beafar shares unless otherwise stated. Tiso denom. unless otherwise stated. Price at time of suspension. a Florins. b Schillings.

July 16 

Gutehoffnung 201.5; 16.75; 14.75; 14.78; 14.78; 150.5 ± -1.5; 15.5; 5.28; 150.5 ± -1.5; 15.5; 5.28; 150.5 ± -1.5; 15.5; Krupp DM.100... 

89.9 -0.8 -22 4.9 26.5 - 0.6 - -

28.5 - 0.6 - 7 326 - 1 A25 7.7 89.2xr - 0.3 50 5.6 67.5 + 0.2 225 7.5 69 - 0.5 28 8.1 100 - 0.7 85 8.5 62.2 - 0.8 27 8.4 271 - 1 840 2.9 130 - 0.5 40 6.2 71.8 + 0.5 22 5.3 81.8 + 0.5 14 4.4

Neckermann .... Preuss gDM100 RheinWestElect Schering ...... Siemens ...... Sud Zucker..... 

July 16

Ahold (Fl.20)..... Akze (Fl.20)..... Akze (Fl.20).... Aig'm 8k (Fl 100)' Amev (Fl.10)... Amrob'k (Fl.20)... Bijenkori

Bijenkori BokaW stm(F18) Buhrm 'Tetter' Elsev'r NDU(F12) Ennia N.V. B'rer EurComTstF110 Gist Broc (F10 ... Helneken (F125)

Heineken (Fi25); Hoog'ns (Fi.20)... HunterD.(Fi.100)... Int. Muller (Fi.20)... Nat. Ned InsF110 Ned (Fi.20)... Ned MidSk(Fi.20) Oce (Fi.20).....

VIENNA

Creditanstalt.... Perimocser...... Selecta......

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Chieftam 2312 2254 2254 20minco 3912 3813 20minco 1314 1314 1314 20minco 1314 1314 1314 20minco 1414 15 20minco Mines 2814 2715 20me Mines 2814 2715 20minco Bridge 1243 4118 20minco Bridge 1243 13414 20minco Bridge 1243 13414 25 Falcon'ge Nickel: 58 5918 Ford Motor Can. 3512 125 Chieftam.....

Kaiser Resource. 2414 2376
Loblaw Com. 'B' 4.00 4.05
McMill n Bloed' 1 2512 2458
Marks & Spencer 1818 838
Massey Ferguson 1458 1412
McIntlyre 4512 4412
Moore Corpn 5614 5612
Mountain State R 1358
Noreanda Mines. 4758 47
Noreanda Mines. 4758 2419
Nth. Telecom. 4218 422
Numac Oil & Gas 3712 3612
Oakwood Petr m 1138 1056
Pacific Copper M, 1.80 1.78

Pan Can Petrol in 57 | 57 | Patino | 122 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2212 | 2 Sceptre Res urce.

† Bid. : Asked. § Traded,

	-			July		Oct.		2n.			DAGE LENDING DATE
	Serie	5	Vol.	Last	Vol.	Last	. Vol.	zn. Last	Stock	1:	BASE LENDING RATES
										1	A.B.N. Bank 14 % B Hambros Bank 14
		.27,50		_	10	1,40	29	2	F.26.50		Allied Irish Banks Ltd. 14 % # Hill Samuel
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AKZ	P F	.27.50	- 2	0.60	, 25	0.20	_	~	*1		American Express Bk. 14 % Julian S. Hodge
AKZ	9	F.30				· ==	12	3.20		1	A P Bank Ltd 14 % Hongkong & Shanghai 14
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HO		.32.50 F.35	_	_	2 5	1		~		1:	Danco de Bilhao 14 % Knowsiey & Co. Ltd. 15
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JBM		. 75			- 5	. 14	_	_	\$69 is	J	Bank of Cyprus 14 %. London Margarile 14
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KLM	C	F, 100	2	1	. 6	8,90	5	5,20	F.100	١,	Banque Belge Ltd 14 % Midland Bank
KLM		F.110		-	. 2	1.50	_			1	
KLM		F.130	_	_	12	0.40			**	•	Banque du Rhone et de Samuel Montagu 14
KLM		F.100	28	. 1	46	. 8	17	8,50	.,	1	la Tamise S.A 1410 Morgan Grenfell 14
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	č	F.110				2.60			F.107.40	1	I DIL DANK OLIMIN, CASI 14 % P. S. Refent & Ca. 14
PET	Č F	.5000		_	5	400			Fr.5140	1.	Shown Suprey 14 % Rossminster 14
	C F	5500		-	. š	200	8	340	Pr.5140		Canada Perm't Trust 14 % Ryl. Bk. Canada (Ldn.) 14
	C F	,22,50	20	I	Ž	2.10	22	2.50	F.23,40	H	Cayzer Ltd. 14 % Schlesinger Limited 14
PHI		F.25	_	_	63	0.70	28	1.10	1 140,10	1	Cedar Holdings 14 % E. S Sehwab 15
PHI PHI I		27.50	.=	=		. 0.30	_		ä	II.	Charterhouse Japhet 14 % Security Trust Co. Ltd. 15
PHI		F.25 .27.50	10	1.50	132	1.60	<u>-</u> -		,,	4:	Charterhouse Japhet 14 % Security Trust Co. Ltd. 15
	•		_	_	_	_	4	3.90	**	8   1	Choulartons 14 % Shenley Trust 16
PRD		530	-		20	· 1	_		\$263e	3'	L. Coales 14 % Standard Chartered 14
PRD		-35			20	. 14	_	~			Consolidated Credits 14 % Trade Dev. Rank 14
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RD C		F.140 F.145	15 61	5 J	143	7	- 3 95	9.20	**	1	Corinthian Secs 14 % Twentieth Century Bk. 15
RD C		F.150	U1 .		69 241	4.50		5.50			Credit Lyonnais 14 % United Bank of Kuwait 14
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	5	F.135		_	1	0.80	-	~~			The Cyprus Popular Bk. 14 % Whiteaway Laidlaw 14
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KU F	•	F.160	<b>–</b> .	_ <del>-</del> - ,	10	16.50	<u> </u>	~ .	**	3	First Nat Fin Corn 1512: Committee
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OXY	C	<b>520</b>		_	13	5.38	٠ 🚤	,	-		Antony Gibbs 14 % † 7-day deposits on sums of £10.
TOT	AL V	OL UMF	IN CO	NTRACT		-	161	75	••		Greyhound Guaranty 14 of and under 171/2, up to £25.
				17   KAU   }	a		±0,	U			Grindiane Dont. 41.4 ft 127, and over 125,000 124%.

COPENHAGEN + G Nthn H (Kr90)-Nord Kahel ...... Novolnd stries B Oliefabrik ...... Privatbank ......

4503 Č.000 Grindlays Bank 314 on the Call deposits over £1,000 111/2.

Guinness Mahon 14 of 5 Demand deposits 111/2.

NEW YORK -DOW JONES

#### Hong Kong

with market sentiment depressed by the latest increase in local of prices and a disappointing land auction on Friday, dealers-said The Hang Seng index closed 2.61 points down at 548.99. Utilities felt the brunt of the oil

Among properties Chemn Kong eased 10 cents to 12,20

Share prices closed mostly lower in very quiet trading with Uniterer and Royal Dutch F1 1 and 180 lower respectively, in Dutch Internationals, dealers

Shares with losses of Fl 1 or more included Bols. Algemene Bank Nederland, VMF Stork and Van Ommeren. IMC rose Fl. 1. Deli Fl 1.70 and Westland Utrecht Hypotheekbank Fl 2.20. State Loans were narrowly

Brussels. Belgian shares closed mostly lower in moderate trading Bourse sources said. tagne rose, while Reserve, Sofina Sidro. Intercom, Astoriennes, PN, Cockerill, Wagon Lits, GB, ST Roch and Tessenderloo all fell. Gold Mines were mixed.

Among foreign stocks UK, Canadian and French were lower, Dutch unchanged, German steady and U.S. higher. Petrofina, American Petrofina and Canadian Petrofina all rose.

the trend.

Industrials tended slightly
in Banks Dresdner was unhigher but fell on profit-taking
changed with Commerz and after last Friday's advances.

TOKYO 9 Apphil Glass ...... 354 

Kansai Elect Pw 920m —1 Komatsu 308 +3 Kubotz 276 Mitsubishi Bank Mitsubishi He'vy Mitsubishi Gorp Mitsui & Co..... Nippon Denso. +10 Takeda Chem. ,+6 +10 | 20 | 1.

BRUSSELS/LUXEMBOURG July 16 100 177 Electrobel...... 6,800 Fabrique Nat.... 3,360 G.B. Inno Bm.... 2,570 Gevaert...... 1,214 -20 142 40

10 2.9 9r 3.4 38 8.6

--9

Stock prices eased across the board in thin featureless trading

price increase, with HK Electric falling 21 cents to \$4.40, and China Light easing 30 cents to

Great Eagle 74 to 4.875; Sun Hung Rai Properties 20 to 10.20 and Swire Properties 5 to 3.30.

#### Amsterdam

#### Switzerland

Prices closed sleady on mini-mal turnover, with moderate interest continuing for a few secondary stocks, dealers said.

Utilities, 40 Finance and 1 Sydney All Ordinary. 31/12/63. \*\* Copenhage 11 Paris Bourse: 1961. ##

AUSTRALIA-

only. y Merger pending. Asked.
† Bid. § Traded. † Seller. \*\* Asked.
\*\* Extrights. xd Ext divisind. xo Extended to 
SWITZERLAND &

•					
.	Aluminium	<sup>1</sup> 1,250	15	8	3.2
•	RAC '11'	1 866 I	-10	10	2.7
1	CibaGeigyFr100	1.230	5	22	1.8
	Do. Part Gert	880	-5	29	3.2
5	Do. Reg	672	+2_	. 32	3,3
1	Credit Suisse Electrowatt	2,200	+ 15	16	3.6
1	Fischer(Georg).	680		10	2.5 3.7
5	HoffmanPtCert.	73,250	25n	1100	1.5
1	Do. (Smail)		- 25 ·	110	
1	Interfood B		- 25 ·	22	1.5 2.6
	Jalmoli (Fr.100)	1.430	±5	21	1.5
1	Nestle (Fr. 100)			×81.5	2.4
۱.	Do. Reg	2.255		281.5	3.6
1	Certikon B(F250	2.450	÷5	16	1.5
- 1	Pirelli(F100)	284	-4.	15	4,9
. 1	Sandoz (F.250).	4.210	+10	26	.15
!	Do. Part Certs	634	· · · · · · · · · · · · · · · · · · ·	26	2.4
	Schind rCtF100	315		13.	3.8
. 1	Sulzer Ct(F.100) Swissair (F.350)	301	+1	14	.4.0
1	SWISSELF (F.500)	794	+3	10	4.4
'	Sw.Bk.Cp(F100)	379	<b>-1</b>	10	2.6
٠l	Sw.Reins.(F250)	5,450	+25	40	1.8
Н	Union Bank	3,185_		30	3.1
1	Zurich Ins	19.070	+25	44	1,7
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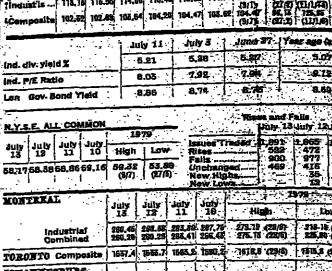
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boost grain sales

BY OUR COMMODITIES STAFF

growers to raise the ceiling on the amount of grain the USSR can buy from the U.S. in the

new marketing year, starting on

The purchase of a further 5.5m tonnes of grain and soya beans reported by the U.S.

Department of Agriculture at the weekend has brought Soviet

purchases for the current year.

almost to the 15m tonne limit,

and the department's analysis also believe that the Russians

may already have bought close

to the 8m tonne limit set for

The latest purchases include

625,000 tonnes of soya beans, 600,000 tonnes of maize and

300,000 tonnes of wheat, Reuter

October 1.

the new year.

to the Soviet Union

THE CARTER Administration outlined a plan at a meeting is being pressed by cereal with Mr. Bergland.

Mr. Michael Hall, the group's president, has suggested that

next year's allowance be in-creased immediately to 15m

tonnes and that at the next con-

sultations with Moscow, planned

for October, the Soviet Union

should be offered the option of

increasing its imports to

the U.S., but with current prices

encouraging grain growers else-where in the world, it is likely.

barring disasters, that there will

be ample supplies of grain from other sources in the new season.

In Melbourne, Sir Leslie Price, chairman of the Austra-

lian Wheat Board, said world wheat prices could increase

steadily at least until the plant-

Ruling out further increases

price fluctuations underpinned

remain steady between \$4 and

\$5 a bushel. Competition from

rice would prevent a dramatic

The region is expected to ex-

this season compared with

domestic production of 110,000

Although net exports of sun

flower oil are expected to rise

to 132,000 tonnes this season,

from 119,000 last season, this is

likely to be partly offset by

large net imports of soyabean oil, rising to 71,000 tonnes from

Total East Europe oils and

fats production in 1978-79 is

estimated at 3.09m tonnes, against 3.01m in 1977-78, with

exports at 448,900 against 450,900 and imports at 409,200

nort around 40,000 tonnes net

The main reason is

toones since 1973.

61,500m.

Soya 'glut' in Europe

UNEXPECTEDLY large Argen- for the first time since 1945.

supplies at European ports and 66,000 tonnes in 1977-78, oilmills, Oil World, the The main reason

Hamburg-based publication re- average annual increase

by a general upward trend.

potential in the new season.

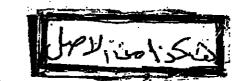
Also, the USSR has yet to

its own grain-growing

plans of Northern

The USSR has yet to approach

between 20m and 22m tonnes.



# Fear of recession fuels base metals decline

FORWARD FRANCES

FORWARD

Metal Exchange vesterday, The tin market provided the metal. Holdings totalling the day, with fears of recession in the U.S. the continuing shortage of the measurement of cathodes and the day of the day, with the continuing shortage of the measurement of the day of the day of the day of the continuing shortage of the measurement of the day of the da

BY RICHARD MOONEY

response to news that Brazil had

prices the permissible limit lower. The September position slipped to ££755,a tonne at one

stage before closing 12 higher at

Brazil stops coffee exports

Under an agreement, the Soviet Union is entitled to buy up to 8m tonnes of U.S. grain without referring to Washington. Last year it negotiated an extension to 15m tonnes, and now growers believe it is ready to apply for similar concessions

in the new season. The National Association of Wheat Growers, in a letter to the USDA secretary, Mr. Bob Bergland, said the U.S. had adequate supplies to meet increased Soviet demand.

Pressure has also come from Great Plains Wheat, an inde-rise, while strong demand would pendent marketing group, which help stop a sharp fall in prices.

tine soyabean exports have led

to a glut in Europe, causing a

back-up of U.S. and Brazilian

Argentina exported 313,200

tonnes of soyabeans in the week

ended July 4, making a record

total for June of 895,000 tonnes against 458,000 in May.

This brought total exports in the past three months to 1.4m tonnes compared with 595,000

tonnes in the same period last

The paper added that East Europe, excluding Albania and the USSR, is again expected to

be a net exporter of oils and

fats in the current season after

## U.S. growers bid to UK crops suffer in dry spell

SPRING-SOWN cereal crops in Britain, which got off to a bad start in the late spring, are now suffering from the lack of rain the Ministry of Agriculture reported yesterday.

Potatoes, sugar beet, fodder crops and grassland would also he helped by a break in the fine weather.

While spring cereals are affected, the winter-sown acreage is now almost ready for harvest. Pest and disease levels in grain crops are reported to be low.

The dry weather has also encouraged a plague of greenfly, particularly in the south east of the country. This pest, which can carry virus diseases into growing

crops, has been coming into Britain from northern Europe in record numbers, the National Farmers Union said.

#### Thai tapioca exports fall

hemisphere growers were BANGKOK — Thai tapioca exports dropped during the first half of 1979 to 2.50m tonnes similar to the recent sharp upsurge. Sir Leslie forecast from 3.17m in the same part of 1978.

Holland was the largest importer, 'taking 1.55m tonnes against 2.24m in the same period Mr. Bergland, however, said wheat prices would generally of last year.

Belgium took 355,000 tonnes France 197,000, and West Ger many 168,000 tonnes. Reuter

#### Rice output up

BANGKOK — Thailand's paddy production during the 1978-79 season increased to 17.2m tonnes from 13.9m the previous season. Thailand has a carryover of 2m tonnes of paddy from the previous season, and exports are forecast to be 2.3m tonnes this year — 300,000 more than target

#### Phosphate deal By Our Own Correspondent

AMMAN—Bulgaria has agreed to buy 500,000 tonnes of raw phosphate rock from Jordan over the next three years. Last year Bulgaria took 82,000 tonnes but no shipments are planned

this year. Last year five states in East Europe took one-third against 384,900 tonnes. Reuter Jordan's phosphate exports.

# Cattle cutbacks hit hide trade

WORLD SHORTAGES of animal hides will worsen as slaughter-ings of cattle fall again this tariat says in its latest report on the market.

This year the U.S. is expected to produce 4.5m fewer cattle hides as slaughterings fall a further 10 per cent. Killings have dropped for three concutive years following the 1976 peak in output.
Output in Canada, which fell

11 per cent last year, is forecast to drop a further 12 to 15 per cent this year, while skin sales from Australia and New Zealand may also fall.

The secretariat notes, how-ever, that the "liquidation" phase of the cattle cycle is now over and in all the major beef producing countries farmers are starting to rebuild their herds. In Britain, hide prices have been easing steadily for some weeks, although they are still 50 to 80 per cent higher than a

Tanners and leather manufacturers have reduced their stocks and are reported to be buying only enough skins for their immediate needs.

Foreign interest at the British auctions, which was largely blamed for the rapid rise in prices last year, has been stifled by the strength of sterling.

Traders are monitoring buying by the Soviet Union, but they say the quantities being exported are small and at present levels this trade is unlikely to have any dramatic effects on

The high cost of leather is still having a marked impact on shoe prices in Britain. In May, whoesale footwear prices-including products made from materials other than leatherwere about 4 per cent higher than in April and almost 20 percent higher than a year earlier. Finished leather for footwear manufacture was 50 per cent dearer than in May 1978.

#### Plan to speed Canadian cereals shipments

OTTAWA—Foreign buyers rail and trucks on short-haul are eager and prices are 50 per grain shipments.

cent higher than a year ago, but Grain transportation officials portation problems in Western

Federal grain officials esti-mate Canada could pass up an estimated C\$400m to \$500m or more in sales because grains the country's third most valuable export—cannot get to buyers fast enough. The problem is railcar shortages, grain terminal under-capacity at West Coast ports and ageing rail equipment and track.

Mr. Don Mazankowski, minisnow assessing a proposal from three prairie trucking association; to ease transportation tierail cars to move grain from close to C\$200m a year. country elevators to inland ter-

the alternative costs between of 8,000.

Canadian grain exports are said here it will take several likely to drop 10 per cent this weeks to evaluate the proposal year due to long-standing transin terms of cost, potential grain shipments and trucking rates. Officials say only small volumes could be shipped at best, com-pared with rail box cars and hopper grain cars on the rail-

In 1973-74 trucks shipped about 10m bushels of grain to inland terminals on an emergency basis at a rate of 10 to 12 cents per ton per mile. Current trucking costs would certainly be higher.

By comparison, the railways are legally obliged to carry grain ter responsible for the Canadian for export at one-half cent a ton Wheat Board, and officials are mile—the "crows nest pass" now assessing a proposal from rate which dates back to the last century. While the railways receive a subsidy of C\$63m their ups by using trucks instead of uncompensated losses are put at

If the truck haul experiment The truckers suggest side would be at the same time as stepping the contentious issue of the Government has added rail branch line abandonment another 2,000 hopper railway by leaving the disputed lines cars at a cost of C\$42,000 each intact during a two-year test of to its current hopper car fleet

BRITISH COMMODITY MARKETS

INSURANCE BASE RATES

† Vanhrugh Guaranteed 111%

f Address shown under insurance and Property Bond Table.

1. Tandree trading on commodity futures:
2. The commodity futures market for the quali investor.

CORAL INDEX: Close 469-474

PERSONAL

After their inchands have gone must war widows.

carry on the fight!

Many of rodey's war veloces, both off and young, need food and fuel to maintain bornes and both after lamilies. The samuel Poppy Appeal is not mough to provine those name.

Please sand donations for The Poppis School Legion Appeals Department.

Maidatoes, Kant A620,70%.

assure them a new interna stabilism.

ional sgreement would be The new session applically reached within 10 working days, due to jast two weeks but a reports Reuter.

further week, could be light, if

Mr. Hill: Jamalcan ambassa necessary. dor to the UN Geneva office, told The 1975 accord expires on the conference. I am confident September 30 this year; that we shall have an agreement. The part allow to stabilise

Confidence at cocoa talks GENEVA Mr. Anthony Bill, negotiating conference was chairman of the United Nations adjourned on February 3 amid Conference on Cocoa, told deledisagreement over the levels at gates here yesterday he could which market prices should be assure them a new interpa-stabilised.

on the world market.

within the allotted time. prices within an agreed range.

This is the second attempt to through a buffer stock buying renegotiate the agreement and selling coconat fixed price reached in 1975. The first UN levels.

TIN Official — Unofficial

ART GALLERIES

MGNEW CALLERY, 43, Old Sond St., W. 01-529 6176. Exhibition of OLD, MASTE PAINTINGS. Until 27, July. Mon.-Fr 9.30-5.30. Thars: until 7.

AGREEW CALLERY 42 Old Sond St. W.1 01-529 5175. PERSIAN MINIATURES An Exhibition of sevencen pages from the Houghton Shanesmen pages from the Houghton Shanesmen Until ZA august Mon. Fr. 9.50-5.0. Thurs. until 7.

BROD GALLERY, 24 St. Jame's St., 5.W.1. 101-839 3871. Paintings by JAN BRUEGHEL, THE ELDER, until 20th Jaly. Weshdays 10-6. Sabs, 10-1.

COFFEE FUTURES prices rai. pended in ET Sakador and each) export objective for the lied strongly on the London mar. Mexico had little imperion market, yesterday afternoon in ket sentiment.

The move was not entirely

The move was not entirely response to news that Brazil had suspended export registrations. In the morning values fell sharply, following through last Friday's closing trend in New York which had left nearby prices the parmissible limit lower. The September position But the market wicked up sharply when the Brazilian Coffee Institute among that export registrations had been suspended until furtible among the first price. An IBC spokesman said free decision unexpected, having been suggested, but subsequently denied in market talk last Friday. But as late as yesterday morning an IBC spokesman stated that Brazil had "no intention" for the time being of closing export registrations.

was in response to falling prices The IBC spokesman said the decision was taken duirng a meeting of Institute directors. £1,339.5 a torne. Trade sources in Rio de Dealers noted that appounce. Janeiro noted that the ABC had ments that exports had been sus. fulfilled its 3m bass 60 kilos Trade sources thought the IBC believed there was no technical reason for the world market to be declining as it was as there was no excess of supply. They thought the Institute might keep registrations closed through July, August and

September. London dealers said the market was very nervous earlier on because of fears of possible consumption cutbacks following recent wholesale price in-

Prices had moved back to the levels ruling before the outbreak of frost at the end of May, they noted. Continued lack roaster buying and further ports of stable temperatures in Brazil had encouraged the easier trend, they said.

#### achieving this position last year

COCOA

contract lows before light short-covering caused prices to steady at the close of the day, reported Gill and Duffus. Yesterd'ys + or Business Close - Done

Seles: 1,774 (2,703).
International Cocts Orga
(U.S. cents per pound): Dai
July 13: 146,35c (167,73c).
prices for July 16: 15-day
153,50; (154,25c): 22-day
154,45c (154,91c).

Robustes continued the recent bearish tred as prices fell 680 from the previous close during an active morning, reported Drexel. In the afternoon prices remained easier initially but the market soon relifed sharply reflecting technically an oversold situation. Coupled with cold weather rumours and export restrictions from producing countries this cided an erratic return to the previous close values finally finishing +5 to -29 on the day.

COFFEE July 1793-98 September 1839-40 November 1839-40 January 1843-45 March 1808-10 May 1782-90 July 1750-85

Sales: 12,302 (13,698), iCS indicator prices for July 13 (U.S. cents per pound): Other Mild Arabicas 196.67 (204.67). Robustas ICA 1976 195.50 (203.0). ICA 1968 196.0 (203.5). Colombian Mild Arabicas 206.0 (210.0). Unwashed Arabicas 198.0 (204.95). Gomp. dally ICA 1968 189.61 (204.95). GRAINS

BARLEY

Business done—Wheat Sept. 31.50-91.20, Nov. 95.60-95.25, Jan. 93.25-99.25, March 102.75-102.70, May 105.45-105.10, Sales 81, Barley: Sept. 87.60-87.20, Nov. 91.70-91.20, Jan. 95.70-95.45, March 98.95-98.60, May 102.0-101.7. March 98,5-98.60, May 102.0-101.7. Sales 114.

HGCA—Location ex-farm spot prices. Feat barley: Cambridge 87.00.

The UK Monetary Coefficient for the week beginning July 23 is expected to the second of the second week beginning July 23 is expected to remain unchanged.

BMPORTED—Wheat: CWRS No. 1
13-2 per cent unquoted. U.S. Dark Nurthern Spring No. 2 14 per cent July 97, Aug. 97, Sep. 98.25. transhipment East Coast. U.S. Hard Winter 13-2 per cent Aug. 98.75, transhipment East Coast. EEC unquoted. Matter U.S./Franch July 107, Aug. 109, transhipment East Coast. S. Africa White unquoted. S. Africa Yellow Aug. 82.00, semilaal. Barkey: English Feet 100 Aug.

enquoted. S. Africe Yellow Aug. 82.00, nominal, Barhyl: English Feed fob Aug. 89. Sep. 89.75 Oct./Dec. 92. Jan./ Merch 99.25, East Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavish feed unquoted. SOYABEAN MEAL The London market opened with gains of £1 on light short-covering, reported T. G. Roddick. Later in the session the market sold off on trade selling.

Sales: 91 (133).

Yest'rd'y +or Business Close - Done

SUGAR .

Yester-day's Close Close Done

£ per tonne

Aug. .... 107.00-07.15 107.00-07.18 187.80-98.30

Oct. .... 108.35-08.45 108.35-08.40 108.75-07.75

Dec. .... 111.80-11.80 112.00-12.10, 112.50-11.25

March . 118.56-18.89,118.18-18.25 119.50-17.75

May .... 121.50-21.65 121.90-22.05 122.25-20.50

Aug. ... 123.00-30.06 129.26-50.00

#### **WOOL FUTURES**

SYDNEY GREASY—Close (in order, buyer, seller, business, sales)—Micron contract: July 386.0, 402.0, 400.0-400.0. 8; Oci. 398.0, 388.5, 339.0-398.0, 28; Dec. 405.5, 405.0, 405.5-405.0, 21; March 413.0, 413.4, 414.0-413.0, 35; May 414.0, 410.0, 418.5-418.0, 11; July 415.0, 417.0, nil, nil; Oct. 416.5, 418.5, 418.5-418.5, 5; Dec. 418.0, 422.0, nil, nil. Sales 106.

BRADFORD WOOL—Traders said top quotations here were unchanged for currency reasons but little happened in the market to bring an improvement in prices. Business remained very quiest with concessions easy to obtain.

Sales: nii.

Sales: nii.

Sales: nii.

Sales: nii.

Sales: nii.

AEW ZEALAND CROSSBREDS—Close (in order buyer, sellar only). July 185.0, 180.0; Oct. 180.0. 188.0; Dec. 180.0. 180.0; Dec. 180.0. 180.0; Sales: nii.

GRIMSBY FISH—Supply good, demand good. Prices at shio's side (unprocessed) per stone: Shell cod

## PRICE CHANGES

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	July 16 1979	+ or	Month	metals limit new l
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uuminium	R110100			stock
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opper	A	J	DOOF F	runs
Cosh w'bar 3 mth ,,	£703	-18'D	£885.5	market
5 mth	£802.75	-17-15	£898.75	attract
ash Cathode	£/01.0		£858.5	ausper
3 mth "	£785.5	<u> −19</u>	£880.5	Cocos
old trey oz	\$298.875	+5.0	5278.166	contin
ead cash 3 mth	£526		£669.5	market
ĕ mth!	£504.5	-20	£618.5	with li
liokel	£5225.4		£3,225.4	gain fo
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letin'm tr'y oz	£165,0	}	£171 £202.5	Jan, 4
Free mkt	£182.6	+0.4	£202.5	Oct. 4
LUICKSII YOT	はったのいつつの	<b> </b> .	\$345/55	Gol
ilver troy oz	404.95p	+3.85	402.70	297.00
3 months	417.20n	+4.25	414.5p	302.60,
	-			319.00,
in cash	1,220 16 DBS		£7,520	334,90,
3 mths			£7,042.5	334.90,
ungsten			\$137.52	349.90
/olfrm 22.64 cif)	\$137 <del>/44</del>		<b>\$146/51</b>	<b>TSilv</b>
inc cash	£302.75	-17.76	£359.5	921.6
3 months	£314.5	17	£371.25	Jan. S
Producers	<b>1</b> 845		5845	July 8
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aim Malayan.	2403 2604:	::E	2307 8256.	80.70
anu minina	groups	1+5.0	\$655p	Jan. 8 July 81
eeds (		1 1		DO AL
opra Philip	5730		5710	82 40,
oyabean (U.S.)	\$333.75t	+5.5	\$335.75	Potat
rains (	_			(70.01) May 1
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ariey Futures	Pat 10	+4.0	732.10	_Tln—
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	£101		2111.0	Plyw 194.0
heat	PAT A			March
lo. 1 Red Spg.: lo2HardWint.	100 7E		Ŧ	March Sept. 1
ing. Milling t	<b>‡</b>			Liva 68.77).
ther	ı	ſ		Dos 6
commodities	- 1	.		Dec. 6
coa ship't	21,549	-0.5 <sup>!</sup>	£1,738	
Future Sept.	21,439 !	I.D. (	£1.046	72.60 a
offeeF't'rSep	21.839.5	-2.D (	£1,960.6	bid, De
otton A'indexi	76.75c :	-0.45	477.05c	2‡Ma 3094-31
bber kilo \$	59.0p	+1.0	64.25p	March
1884 (Bank)   6	าเกรีก		81010	INTER FUR

Nominal. † New Crop. ‡ Unquoted in tonnes, unless otherwise stated, p August. s July-Aug. t Sept. w Sept. Oct. y Nov. 2 Indicator. § Buyer.

£4.50-£5.00, codlings £2.60-£3.60; larga haddock £5.20-£5.50, medium £4.20-£5.40, small £2.50-£3.70; large plates and medium plates £4.90-£5.40, best smell £3.60-£4.30; skinnad dogfish (medium) £9.20; lemon soles (large) £5.80, medium £5.20; rockfish £1.80-£2.70; saithe £1.80-£2.40.

JUTE—Quiet. Raw prices unchanged. Jute goods firm c. and f. Dundes July: 40-10 cz £13.37, 40-7½ cz £10.60. "8" twills £32.23.

**MEAT/VEGETABLES** MEAT / VEUE ABLES

MEAT COMMISSION—Avarage fatatock prices at representative markets.

week-ending July 14. GB cattle 85.55p
per kg. i.w. (-3.95); UK sheep 154.0p
per kg. est.d.c.w. (-8.5); GB pigs
bl.5p per kg. i.w. (+0.5). England
and Weles: Cattle numbers up 11.5 per
cant, avarage price 84.84p (-4.10);
Sheep numbers up 1.2 per cent,
avarage price 154.2p (-8.3); Pig
numbers up 4.8 per cent, avarage price
61.5p (+0.4). Scotland: Cattle
numbers down 9.5 per cent, avarage
price 87.95p (-3.07); Sheep numbers
up 33.7 per cent, avarage
price 87.95p (-3.07); Sheep numbers
up 33.7 per cent, avarage
price 87.95p (-3.07); Sheep numbers
up 33.7 per cent, avarage
price 87.95p (-3.07); Sheep numbers
up 33.7 per cent, avarage
price 87.95p (-3.07); Sheep numbers
up 33.7 per cent, avarage
price 82.3p (+1.2).
SMITHFIELD—Pence per pound: Beeft:
Scottish killed sides 65.0 to 70.0; Eire cent, average price 62.3p (+1.2)
SMITHFIELD—Fence per pound: Beet:
Scottish killed sides 65.0 to 70.0; Eira
hindquarters 82.0 to 85.0, forequarters
40.0 to 45.0. Veal: English 13s 65.0
to 72.0; Dutch hinds and ands 98.0 to
100.0. Lemb: English small 84.0 to
70.0, medium 62.0 to 68.0. imported
frozen: NZ PL 49.0 to 51.0, PM 49.0
to 50.0, Perk: English under 100 15
35.0 to 44.0, 100-120 ib 36.0 to 43.0,
120-160 jb 34.0 to 41.0.
COVENT GARDEN—Prices in styring
per package except where otherwise
stated: Imported produce: Oranges—
S. African: Navels 4.60-6,30; Brezillen:
5.20-5.50; Californian: 7.50-7.50. Lemons
—Italien: 100/120s 5.90-6,20; Spania:
Trays 30/40/45 2.50-3.00. Grapatruit—

#### **AMERICAN MARKETS**

THE MARKET reaction to President 37.47). Aug. 34.25-34.00 (33.25-34.12). Carter's message was quick and con-27.35.
||Soysbeen | Meal — July | 203.20 | (204.80) | Aug | 204.50-203.50 | (204.90) | Sept. | 205.50 | Oct. | 204.00-204.50 | Dec. | 205.50-204.50 | Jan | 207.00-206.50 | March | 208.00 | May | 208.00 | July | 207.00-207.50 | 4Soysbeane—July | 761-761 | (767\frac{1}{2}) | Aug | 765-764 | (770\frac{1}{2}) | Sept. | 763. | Nov. | 757-755 | Jan | 768-766 | March | 775-774 | May | 779-778 | July | 778-779 | 4Whest—July | 4441-445 | (441) | Sept. | 4451-4451 | (441) | Dec. | 4561-4551 | March | 457-457 | May | 450 | July | 420 | VIINNIPEG | July | 105 | SRye—July | VIINNIPEG | July | 105 | SRye—July | Sept. | 4489 | Sept. | 4491-451 | Sept. | 4491-451 | July | 105 | SRye—July | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 105 | 1

Ner—July 930.0 (897.4), Aug. (901.6), Sept. 828.5, Dec. 949.7, 955.7, March 988.0, May 980.3, 982.6, Sept. 1004.9, Dec. 1023.2, 1029.3, March 1041.6, May 1053 9, Land Harman builling story 910.0

| 179.70| Sept. 80.80| Dec. 31.30| 1/30.00| Sept. 80.80| Dec. 31.30| 1/30| Merch 81.50| May 81.76| Sept. 82.15| Doc. 82.35| Jan. | March 82.50| May 82.60| Satose (round whites) — Nov. 68.5| 1/30| Merch 101.50| asked (101.30)| Dec. 100.80| Merch 101.50| asked (101.30| Merch 101.50| asked (101.50| asked (101.30| Merch 101.50| asked (101.30| Merch 101.5

**EUROPEAN MARKETS** 

ROTTERDAM, July 16.

Wheat—U.S. No. 2 Dark Hard Winter wheat, 13.5 per cant. Aug. \$233.50.
U.S. Hard Winter wheat ordinary unquoted. U.S. No. 2 Rad Winter wheat Aug. \$198. Sept. \$198. U.S. No. 2 Rad Winter wheat Aug. \$198. Sept. \$198. U.S. No. 2 Rad Winter wheat Aug. \$198. Sept. \$198. U.S. No. 2 Rad Winter wheat Aug. \$198. Sept. \$198. Sept. \$280. Oct. \$288. Oct. Dec. \$200. Jan. March \$275. Sunflower Seed Majuly \$199.75, Oct. \$202. Sept. \$199.75, Oct. \$202. Sept. \$198. Sept. \$198. Sept. \$200. Oct. \$203. Sept. \$200. Sept. \$200. Oct. \$203. Sept. \$200. Sept. \$200. Oct. \$203. Sept. \$200. Oct

V/INNIPEG. July 16. SRys—July 189 50 asked (177.00 bid), Oct. 168.50 (170.00), Dec. 163.00 bid, May 163.00

#### INDICES FINANCIAL TIMES

July 13 July 12 M'nth ago Year ago 287.54 289.90 301.77 238.85 (Bass: July 1, 1952=100)

July 15 July 12 M nth ago Year ago 1083.3 | 1082.7 | 1105.4 | 913.7

Dow July July Month Year Jones 13 12 ago ago Spot ... 408.80 408.61 423.81 550.32 F'tur's 420.78 421.25,429.31 340.15 (Average 1924-25-26=100)

DOW JONES

July 16 July 15 M nth ago Year ago 1561.2 | 1572.3: 1637.0 | 1430.7 (Base: September 18, 1931 = 100)

S. Alrican: 32/64 3.60-5.10; Jamaican: 27/56s 4.20-6.00. Apples—S. African: Granny Smith 7.00-7.30, White Winter Pearman 2.80-2.80 Starking 3.50-4.50, Yorks 5.50-8.00, Golden Delicious 5.40-6.80; New Zestand: Rad Dougherty 7.40-7.70. Granny Smith 7.20-7.50. Sturmers 5.20-6.50, Delicious 6.40; Tasmanian: Janathans 5.50, Golden Delicious 4.00, Sturmer Pippins 5.80-6.20, Crofton 6.70-7.00, Granny Smith 6.50; Vistoriais: Granny Smith 7.40, Damocrets 7.00; VY. Australian: Granny Smith 7.40; Washington Red Delicious per box 8.00-9.00; Franch Golden Delicious 72s 2.30-7.40, 84s 2.50, jumble Pack per lb 0.05-9.73;

English produce: Potatoes—New Cropper bag 2.00-2.20. Lettuce—Per 12 round 1.40-1.60. Cos 1.70. Webbs 1.60. Muzhrooms—Per 1b 0.55-0.60. Applea—Per 1b Bramley 0.05-0.09. Rhuberb—Per 1b 10.2-00. Cucumbers—Frays 8:13s 1.40-1.80, prepack 2.20-2.40. Cauliflowers—12s Lincoln 2.40-3.00. Calliflowers—12s Lincoln 2.40-3.00. Calliflowers—Per 1b 0.15-0.25. Goosebaries—Per 1b 0.14-0.16. Levellers 0.20-0.25 Cherries—Per 1b 0.4-0.16. Levellers 0.20-0.25 Cherries—Per 1b 0.35-0.45. Peas—Per 1b 0.08. Broad Beats—Per 1b 0.08. Grooms—Per bag 5.40-5.50. Carrots—Per bunch 0.09, per bag 1.60-2.20, Respherries: Per 14 1b 0.10-0.1212.

#### Prescot Commodity Review If you are involved in the commodity markets and would

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Cash. 519-20 -255 525-7 -205 5 months 499-500 -22 504-5 -28 5'month 520 -24 \*58-62 ... £ £ £ £ High Grade & £ £ £ 5.7200-50 +85.7205-50 +112 122.5-3.5 125 Settlem's 7290 -10 7200-50 -72.5 724 -125 Settlem's 7290 -10 Startland 7290 -10 ZINC-Lost ground in line with lead and copper, with forward metel touch-ing 2307 on the early pre-market before rallying to close the late kerb at £313.5. Tursover 8,800 tonnes. ZINC Official - Unofficial -Coath. 298.5-9 183 302.5-3 172 5 months 310.5 181 514.5 172 5 ment 289 19 29.5 41.5

Amelgameted Astri-Tiather reported Morning Standard, cash £7.20, that in the morning cash wirabars 7.300, 7.20, 85, three months £8.780, 875, 58, 98, 800, 1, 2, 3, 4, 5, 4, 3, 5, 879, Aternoon; Standard, three months £8.780, Aternoon; Standard, three Cathodes, three months £86, 84, Kerb; months £6.785, 90, × Kerb; Standard, three Cathodes, three months £6.785, 90, × Kerb; Standard, Wirebers, three months £6.785, 90, × Kerb; Standard, three months £6.780, 10, × Kerb; Standard, three months £6.7 Months (314, All Millian Mills With the brid in other metals. Forward metals said to 2547 on the pre-market but recovered to close the late kerb at 2561. Tumover 7,373 tonnes. I.G. Index Limited 61-351 3456. Three month Copper 304-811 25 Tament Read, London SW10 CHS.

Macring: Three months 2550, 48, 47, 45, 50, 52, 50, 51, 63. Kerb: Three middle 2551, 52, 51. Afternoon: Three months 2553, 55, 58. Kerb: Three months 2559, 61; 63, 61. Micked Use, 01, 03, 01.

\*\*Nicked netal opened around the 12,680 level but fell away to close the late kerb at £2,600 after a low of £2,580. Tumover 210 tonnes.

Spot ...... 2600-10 -55 2580-90 -75

Morning: These months £2,625, 15, 10, 20; 10, 15. Kerb: Three months £2,600, £2,590, 80. Kerb: Three months £2,600. £2,590, 80. Kerb: Three months £2,600. SILVER

Silver was fixed 3.35p an ounce higher for spot defivery in the London buildon market yesterday at 404.55p. U.S. cent equivalents of the fixing levels were: spot 906.9c, up 14.7c; histomoth 326.8c, up 15.5c; six-month 978.9c, up 14.4c.

12/15. Turnover 169 (188) lets of 10,000 azs. Morning: Three months 417.8, 7.5, 7.5, 7.4, 7.3, 17. Kerbe: Three months 417.5, 7.8, Afternoon: Three months 419.8, 9.5. Kerba: Three months 419.3, 19.4, 20, 20.5.

COTION

August — 116.00-16.5-0.75-116.00-16.50
October — 121.50-21.5-0.65-122.50-21.50

Cotober — 122.50-21.5-0.65-122.50

Cotober — 122.50-21.5-0.65-122.50

Cotober — 122.50-21.5-0.5-122.50

RUBBER

easier. Good interest throughout the day, closing on a firm note. Lawls and Peat reported a Melaysian godown price of 233 nominal (286) cents a kilo No. 1 Yesterd'ya Previous Business R-S-S- Close Close Done

Sales: 550 (473) at 15 tonnes and 92 at 5 tonnes.
Physical closing prices (buyer) were: Spot 59.0p (58.0p); Aug. 63.25p (63.0p); Sept. 63.5p (58.0p).

LONDON DAILY PRICE (raw sugar): £102.0 (seme) a tonne cif for July-Sept. shipment. White sugar delly price was £89.50 (£101.5).

Currancy factors produced losses of up to 125 points from pre-weekend levels in the middle positions during the morning. Later, however, New York levels moved upwards so that most of the losses had been recovered by the close, C. Carmikow.

TEA AUCTION

LONDON TEA AUCTION—62,731 packages were on offer at yesterday's suction. Assams received limited support and spart from salected lines lost 40 to .8p. Brighter African teas mer good competition at firm to dears rates. Others were very irregular but on belance unchanged. Best 5n Lankatess sold well but mediums essed and plein types were neglected. Price questions: Quality 134p per kilo (132); Medium 104p (104); Plain 62p (62).

# June trade figures greeted favourably in markets 30-share index rises 4.1 to 470.7—Gilts also higher

Dealings tions Dealings Day
Jun. 18 Jun. 28 Jun. 29 July 10 July 2 July 12 July 13 July 24 July 16 July 26 July 27 Aug. 7 July 30 Aug. 9 Aug. 10 Aug. 21 " "New time" dealings may take place from 9.30 am two business days

reactions in stock markets yesterday to the June current account surplus of £61m closed a touch off the best, it favourable and leading shares extended earlier gains by of 470.7. a few more pence. Government stocks also improved on their 3.30 pm levels, but the headway was rescinded following the subsequent announcement that after allowances for various account was in deficit by some £300-£400m.

Prior to the trade figures, business in both equities and the funds had again been slow with special situations providing the features. Unigate were surprisingly suspended pending a state-ingly suspended pending a state-inent today when the group's annual results should also be announced; the move naturally aroused speculation and one of a controller pending and the premium closed speculation and one of a controller pending and the premium closed speculation and one of the pending and the premium closed speculation and one of the premium closed speculation and one of the pending and the premium closed speculation and one of the pending and the premium closed speculation and one of the pending a state-ingle pending a st the stronger possibilities menthe latter's UK interests.

Speculative hopes of a possible offer for Decca were whetled by the Philips' bid for the outstanding minority interest in Pye, succession, activity in Traded which jumped 50 to 166p. Mean-options sunk to meagre propor-

Account Dealing Dates while, the clearing banks tions. Only 238 contracts were mission's report on the completed compared with last attempted mergers with Merck priest Declara- Last Account Press estimates of a likely 50 per Monday's 268 and last week's Incorporated and FMC Corporafigure gains: Lloyds start the season on Friday.

Measuring a slightly cautious air at the opening to the new dend season which Lloyds starts trading Account, the 30-share on Friday helped the major index was marginally easier at first calculation although leading issues often ended 4.1 up at the day's highest

Gilt-edged encouraged by a light demand in the wake of the stronger rate for sterling and held gains of 1 or so to the official close. Receipt of the June trade returns immediately prompted a fresh im-provement but this was eventually lost and quotations reverted to their 3.30 pm levels. Especially notable were selected low-coupon shorts which, in clean form, established gains extend-ing to 2 full point, as in

sterling and the premium closed tioned was a merger or deal with nearly a point higher on the day the U.S.-based Heinz regarding at 271 per cent, an effective rale of about 91 per cent. Yesterday's SE conversion factor was 0.9127 (0.9202).

For the second Monday in

216p

364p

Closing Closing Vol.

**LONDON TRADED OPTIONS** 

19 5

Goode Durrant and Murray hardened 14 to 22p and Antony Gibbs put on 3 to 46p. Provident Financial advanced 5 to 93p among Hire Purchases. News of the first-half loss and omission of the interim dividend further unsettled the recently troubled Brentuali Beard and the

Banks strong

today's preliminary results. Leading Breweries traded aim-lessly, and although initial firmness followed the trade figures, lack of follow-through support left most prices at overnight levels. Secondary issues, how-ever. provided a few bright spots; Amalgamated Distilled Products were again in demand. up at 60p, still benefiting from Mr. James Gulliver's stake in the company. Press comment prompted a gain of 2 in Belhaven, 45p, while continuing bid hopes buoyed Sandeman, 4

up at 82p. Special situations provided the main focal points in Building issues. Steady awaiting the annual results. Montague L. Meyer fell to 89p on the announcement before rallying to close 2 firmer on balance at 95p. Press comment about the company's recent performance prompted a gain of 15 to 275p in Brown and Jackson, while renewed demand in a thin market lifted Derek Crouch 18 to 170p. Royeo enjoyed a fair trade on vague bid rumours and put on 4 to 54p and, awaiting today's annual results, H.A.T. firmed 11 to 28 p.

ICI were marked progressively higher and closed 10 up at 334p. Among other Chemicals, Allied Colloids, annual results today hardened a penny to 94p, while Alginate added 3 to 370p; publication of the Monopolies Com-

#### Peters Stores wanted

Comment on dividend poten-ial ahead of the interim divi-Speculative buying fuelled by impure that Millets Leisure are likely suitors helped Peters Stores put on 8 to 64p. News of on Friday helped the major clearing banks attract a useful demand which left double-figure the sharp dividend increase and proposed 50 per cent scrip-issue helped Ratners rise 6 to 109p. demand which left double-ngure rises. Barclays led the advance with a gain of 15 to 485p and NatWest put on 12 to 370p, while Lloyds and Midland added 11 apiece to 347p and 377p respect-ively Elsewhere. Standard after 110p, and also prompted a sympathetic improvement of 5 to 240p in H. Samuel "A." Buying ahead of their preliminary state ively. Elsewhere, Standard Chartered were favoured at 475p. up 15, but Alexanders Discount, ments, due tomorrow and Friday respectively, helped MFI respectively, helped MFI improve 2 to 176p and Wallis rise 4 to 72p. R. and J. Pullmann hardened 3 to 102p in response following the gloomy interim statement, reacted 8 to 250p. Merchant banks encountered to an investment recommendation and Bambers revived with a selective support with Wintrust gain of 7 to 133p. In Shoresurgence of specul notable for a rise of 5 to 85p. speculative demand left Stylo 7 to the good

jump of 50p to 166p in Pye Holdings on the agreed offer of 180p ings on the agreed offer of 180p per share cash to minority holders from Philips Lamp. Electronic Rentals, in which Philips also has a stake, met demand and put on 8 to 191p, while Decca, an old bid favourite, encountered speculative support and rose 40 to 375p. shares fell to a 1979 low of 14p before rallying late to close unchanged at 16p. Hogg Robinson hardened 2 to 94p in front of tive support and rose 40 to 375p with the "A" a similar amount up at 340p. Ferranti firmed 7 to 405p, while revived demand left Sound Diffusion 5 dearer at 122p xd. Dewhurst and Partner improved a penny to lalp on the increased dividend and profits. Among the leaders, GEC closed 7 to the good at 355p, while a little support, mainly in the early dealings, left Thorn 6 higher at 406p. Assisted by Press mention. Picssey hardened 3 to 117p.

Electricals were featured by

Leading Engineers showed few signs of life until the late trading when a slightly firmer tendency developed. John Brown closed 6 dearer at 477p and GKN 3 up at 280p, while Hawker hardened a few pence to 190p. Movements in secondary issues rarely exceeded a few pence either way. Occasional support lifted Saville Gordon 4 to 42p while Crown House responded to the annual results with a gain of 2 to 72p. but disappointment with the preliminary figures left Meggitt Holdings 3 down at 29p. Jenks and Cattell closed 5 off at 85p compared with the cash worth 81p per share from Armstrong Equipment.

In Foods, Robertson attracted further interest on bid hopes and put on 6 to 153p, while Bernard Matthews gained 13 to 288p in a thin market. Spillers firmed 1; Matthews gained 13 to 288p in a thin market. Spillers firmed 1! for a two-day gain of 19 to 39!p on late demand. Dealings in Unigate were suspended at 82p, up a penny, at the com-

announcement to be made today. After earlier progress to 202p, Ladbroke became a late weak feature in Hotels and Caterers, dropping to 175p for a net loss of 14 on the refusal of licences for four of its London casino Elsewhere, premises. Elsewhere, Brent Walker attracted speculative

#### Rank Org. pleases

interest and firmed 5 to 86p.

Quietly firm miscellaneous Industrial leaders were featured by a late surge of 11 to 222p, after 224p, in Bank Organisation following publication of the better-than-expected first half profits. Elsewhere Vinten fell profits. Elsewhere, Vinten fell 15 to 152p in reaction to the disappointing preliminary results and Jacksons Bourne End lost 15 to 145p on the revelation that Rossminster, which holds a 58 per cent stake in the company and unsuccessfully bid for the rest earlier this year, had its offices visited by the Inland Revenue last Friday.

Maynards dipped 8 to 146p and De La Rue relinquished a like amount to 485p, while William Press, after easing to 21p on adverse Press mention picked up late to close unaltered at 22ip. Further consideration of the agreed bid from Pentos prompted a rise of 7 to 192p in Caplan Profile, while Pentos hardened a penny to 83p. Favour-able Press comment helped L C. Gas rise 8 to 538p and brought respective improvements of 21 and 5 in Mentmore, 161p, and Lep, 305p. Renewed speculative support lifted Hensher "A" 4 to 52p and buying in front of tomorrow's annual figures left Syltone 8 to the good at 198p. G. R. Holdings advanced 11 to 166p and R. K. Watson put 62 7 to 127p xd. Despite the reduced earnings, LRC hardened

Associated Leisure firmed 3 to 100p in response to the satisfactory annual results, Barr and Wallace Arnold Trust "A" added 4 to 126p following weekend Press comment.

1} to 27\p.

Narrowly easier at the outset, steadied following the trade figures and finished slightly firmer on balance. Heron featured Distributors, rising 4 to 551p in anticipation of the results preliminary results today. Fodens, with annual results ex-pected on Thursday, firmed 3 to 17p, while Lotus added a penny to 36c following Press comment. Among Components, speculative

Although trade in Properties was at a low ebb, the trend was described as firm with MEPC improving 3 to 179p and Great Portland Estates adding 4- to 310p xd. Hammerson gained 10 to 835p, while Press comment prompted a rise of 3 to 75p in British Land and lifted. Town and City 21 to 201p xd. Oceasional support was forthcoming for selected speculative counters and Property Partnerships added 114 to 160p xd.

#### Oils quiet

Oils had a quiet day's trade, but British Petroleum edged higher to close 18 up at 1,255p, xd, while Shell ended unaftered at 364p, after being down to 360p in the early dealings. Outside the leaders, a late flurry of demand left Oil Exploration 18 higher at 340p, while moves to develop the Brae Field in the North Sea stimulated occasional interest in Siebens

(UK) which firmed S to 238p The majority of movements in. Trusts were limited to a few pence either way, but Kellock, up 7 at 97p, stood out in Finan-

Shippings encountered fresh buying interest, but the overall trend was irregular. Bros. put on 7 to 2020 and Hunting Gibson 15 to 275p, while Reardon Smith "A" hardened 13 more to 74 p. On the other hand.
P. and O. Deferred turned dull at 100p, down 21.

Tricoville, a weak market last week following the withdrawal of the partial bid from Damatex. rallied 4 to 76p.

#### Golds improve

A \$4.75 rise in the bullion price to a record \$292.875 an ounce — against the background of a weaker dollar - led to renewed buying of South African Golds.

Prices edged higher throughout the day with American buy-ing in the late trade adding impetus to the market Gold Mines index put on 1.8 to 160.6 while the index rose 0.5 to 146.6.

Among the heavyweight issues. gains extended to i as in Rand-fontein, £26, Free State Geduld, £12] and Western Holdings, £17 while medium and lower-priced stocks showed East Driefontein 20 firmer at 631p and West Rand Consolidated 15 higher at 152p. Harmony put on 9 to 397p in front of the increased profits

#### FINANCIAL TIMES STOCK INDICES July July July Ayen 73.20 73.08 72.34 72.90 72.95 72,44 74.74 74.75 71.48 74.21 74.66 74.72 73.95 468.6 475.7 468.7 479.5 Fixed Interest .... 466.6 469.8 158.8 165.4 161.8 168.2 165.0 161.3 industrial .... 160.6 146.1 148.5 147.5 150.0 152.5 108.9 Gold Mines.. 146.6 Gold Mines(Ex-9 pm) 5.55 6.61 6.70 6.70 6.69 6.73 5.67 Ord. Div. Yield ..... 16.92 16.81 16.77 16.59 16.80 16.86 Earnings, Yld. % (full) 16.78 7.62 7.53 7.48 7.52 7.54 Total bargains ....... 14,597 16,779 15,075 15,982 16,025 16,217 89.28 67.80 70.73 53.99 52.56 Equity turnover £m 12,545 11,639 12,872 12,741 11.024 14,764 Equity bargains total. 10 am 486.0: 1T cm 466.1. Noon 468.7. 1 pm 467.7. 2 pm 467.9: 3 pm 488.7. Latest index 01-286 8026.

• NH=7.23.

/35. ( Activit	y, July-D	ec. 1942			m index ster	3.0	
	-	979	Since Co	mpilat'n			duty:
_	High	Low	High	Low		77.4	
Secs.	75.91 (4/5)	64.64 (8/2)	1		- Daily Gitt Edged Industrials	1 1172	.: 185.25
d Int	77.76	66.03	150.4 (28/11/47)	(6) (75)	Speculative.	80.3	51.8

45.5. (28/10/21)

#### NEW HIGHS AND LOWS FOR 1979

95.2 337.1 54.3 (2/)1) (3/4/74) (25/8 78)

NEW HIGHS (29) BRITISH FUNDS (1) Derapipe Dyson (J. & J.) -Fitzwilton Amal, Distilled Sandems BUILDINGS (3) STORES (4)
Peters Sto
Hardy (Frishes.) A Retries of
ELECTRICALS (2)
Pye Hides. ENGINEERING (3)
Signification Utd. Engine STORES (4) Peters Str Matthews (B.) Pento (R.)
| Matthews (B.) Pento (R.)
| Matthews (B.) Pento (R.) Flight Refuelling PROPERTY (1)

658.6 446.1 (4/5) (12/2)

208.4

129.9 (17/4)

SHIPPING (2) SHOES (7) Oil Exploration MINES (1) NEW LOWS (67) AMERICANS (3)

BANKS (1) BUILDINGS (3)

STORES (3)

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Dunder & London
Dunder & London
Elect. & General
Glendsenvi Inv.
London & Lesnox
Not. Aslandt Sect.
Northern American
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# RISES AND FALLS

	11451		Down Sam
British	Funds Dom e	70	٠٠٠٠
Forei	gn Bonds	279	950 258 878
Financi	a and Pro	p 104 12	100 300 11 16
Plantat Mines		45	32 67
Others			67 55
Totals		951	482 1,403
	.=		***

American 5 at 331p and De which is expected tomorrow. in the June quarter.

Beers 4 at 350p.

Elsewhere, Mineorp advanced

The strength of Golds helped In the London-registered 10 to 104p following the sharp sentiment in South African Financials Charter were a fracture of 28 to 415p in Burnett Financials where UC Investments, tion easier at 130p, ex-dividend, and Hallamshire; the latter is added 10 at 240p. Anglo in front of the annual report currently bidding for Mincorp.

## A FINANCIAL TIMES SURVEY

# **ARAB TRAVEL AND TOURISM**

#### **October 2 1979**

The Financial Times proposes to publish a survey on Arab Travel and Tourism. The main headings of the provisional synopsis are set out below.

#### INTRODUCTION

Steady improvement in facilities for business travel to the Arab world after the appalling congestion that followed the 1973-74 oil price rise. Improved airports and greater airline capacity. New hotels, with over-capacity in several centres. Wider acceptance of credit cards, travellers cheques, etc. The lacunae where facilities have not improved so fast—including the poorer Arab countries. The expression of tourism in these countries where this is tries. The expansion of tourism in those countries where this is a tradition and the attempts of some other countries to develop

BUSINESS TRAVEL IN THE ARAB WORLD

HOTELS **AIRLINES** 

**CONFERENCE CENTRES** 

TRAINING AND MANPOWER

MONEY TELECOMMUNICATIONS

BUSINESS TRAVEL AND TOURISM IN ARAB COUNTRIES

(a) The Gulf and Oman

Saudi Arabia Yemen Arab Republic

Jordan

Syria In addition there will be short guides to the following business centres:

Bahrain (b)

Doba (c)

(g) Aden (h)

Beirut

(f) Egypt (g) Sudan

(h) Algeria

(f) Baghdad

Tunisia

Morocco

Dubai

Abu Dhabi

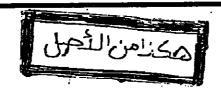
Tripoli (Libya)

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# FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

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The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.



#### **ACTIVE STOCKS** Denomina- of Closing Change Stock tion marks price (p) on day NatWest Bank ... £1 9 370 +12 low Mentmore Manf. 5p

Town & City Pps. 10p Barclays Bank ... £1 BP 25p
Commercial Un. 25p

#### **OPTIONS**

DEALING DATES Last Last For Deal- Declara- Settleings ings tion ment Bracken Mines, ICI, Wagon July 10 July 23 Oct. 4 Oct. 16 Finance, Ladbroke, Amalga-July 24 Aug. 6 Oct. 18 Oct. 30 mated Distilled Products. July 24 Aug. 6 Oct. 18 Oct. 30 mated Aug. 7 Aug. 20 Nov. I Nov. 13

For rate indications see end of
Share Information Service
Money was given for the call
in Core Code Fields A Formation Service

Money was given for the call
in Core Code Fields A Formation in Cons. Gold Fields, A. Ker- Arrow.

shaw, Town and City, Burmah, Spillers, De Beers Dtfd., L.R.C., William Press, Laurence Scott,

#### RECENT ISSUES

•					EQUITIES						
Issue Price	Amount Pald Up	Latest Jenuno. Date		79	Stock	Closing Price	+ <u>o</u> r	Dlv. P. Or Ámaunt	Times	Yield Yield	ы <u>і</u> :
801 <sub>2</sub>	F.P. F.P. F.P.	11;7 27;7 22;6 22;6	99   53   41 <sub>2</sub>   59   37   44	76 951 <sub>2</sub> 501 <sub>2</sub> 52 52 301 <sub>2</sub>	g & Q (Retail: 5p Fairline Boats Fulorum inv. Income Do. Capital 2 sp Malay'n Pi'ts Berhad Mettoy Dfd Phicom 10p Standard rel.&Cable:	51 51 55 55 301 374	+13	2.46 b3.5 4.0 bQl8c	3.6 - 1.3	5,2 11,7 7,3	6,
	,	FI	XE		NTEREST S	_	CK	S			

	Price 33	Am unt Paid up Latest Renuno Dato	1979 High   Low	Stock	Closing	+•
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ľ				U AFFERS		

"RIGHTS" UFFERS										
SSUE Priça p:	Am'unt Paid up	Latest Renunc. Date		1979 High   Low		· Stock	Olosing prices pt	+ o		
P+				nigii						
36 65	F.P.	9:7: 17:7	10/8		-20	Causton Sir (J.)	30	—¹2 +5		
5212		10/7			ė e	Combined Foolish Stores	62	+1		
30.2	Nil	_ 1		1		Control Cocupities	TLDM			
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100 i	F.P.	13/7	3/8							
60	Nil	_	_	18pm	17	Colcibera (A)	ITRDW			
	F.P.	29:6	10/8	146						
126 47	Nil	30/7:	28/8			LISTATAGNAC	- 20m	+ 12		
88	Nit			8am				+2		
L55 Ì	F.P.	13/7	24/8	204		###	20.4			
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154	F,P,	22/6		182	4 5.77	MEDC	110	<b>-1</b>		
105	F.P.	13/7		108	106	McCorquodale	103	4		
85	F.P. !				+011	P.M.A. Holdings	117	<u>1</u>		
		60.6	~~	121	. <b></b>	(Batemon T&BD3D7	: TOUIL			
60	Nil     F.P.	29/6	20/7	86 B				Ía		
265	F.P.			295		61-man Engineering	ZYU	l		
60	Nil							+6		
108	Nil		10/0	27pm						
57	Nii		24/8	7pm				<b></b>		
	F.P.			107	94	W.G.1	107			
					_	the second second duty				

Renunciation date usually last day for dealing free of stamp duty. D Figures based on prospectus estimate. a Assumed dividend and yield. I Forecast dividend: cover based on prospectus or other official estimates for 1979. Q Gross. I Figures assumed. Cover allows for conversion of shares not now ronking for dividend or ranking only for restricted dividends. § Placing price to public. It Pence unlass otherwise indicated. I Issued by tender. [I Office to holders of ordinary shares as a "rights." \* Issued by way of capitalisation. §§ Reintroduced. If Issued in connection with reorganisation, marger or takeover. [II introduction. ] Issued to former preference holders. Allotment letters (or fully-paid). Provisional or partly-paid allotment letters. — With warrants. If Unlisted security. It Issued to security. Et Issued

## FT-ACTUARIES SHARE INDICES

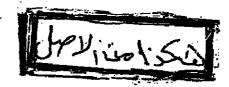
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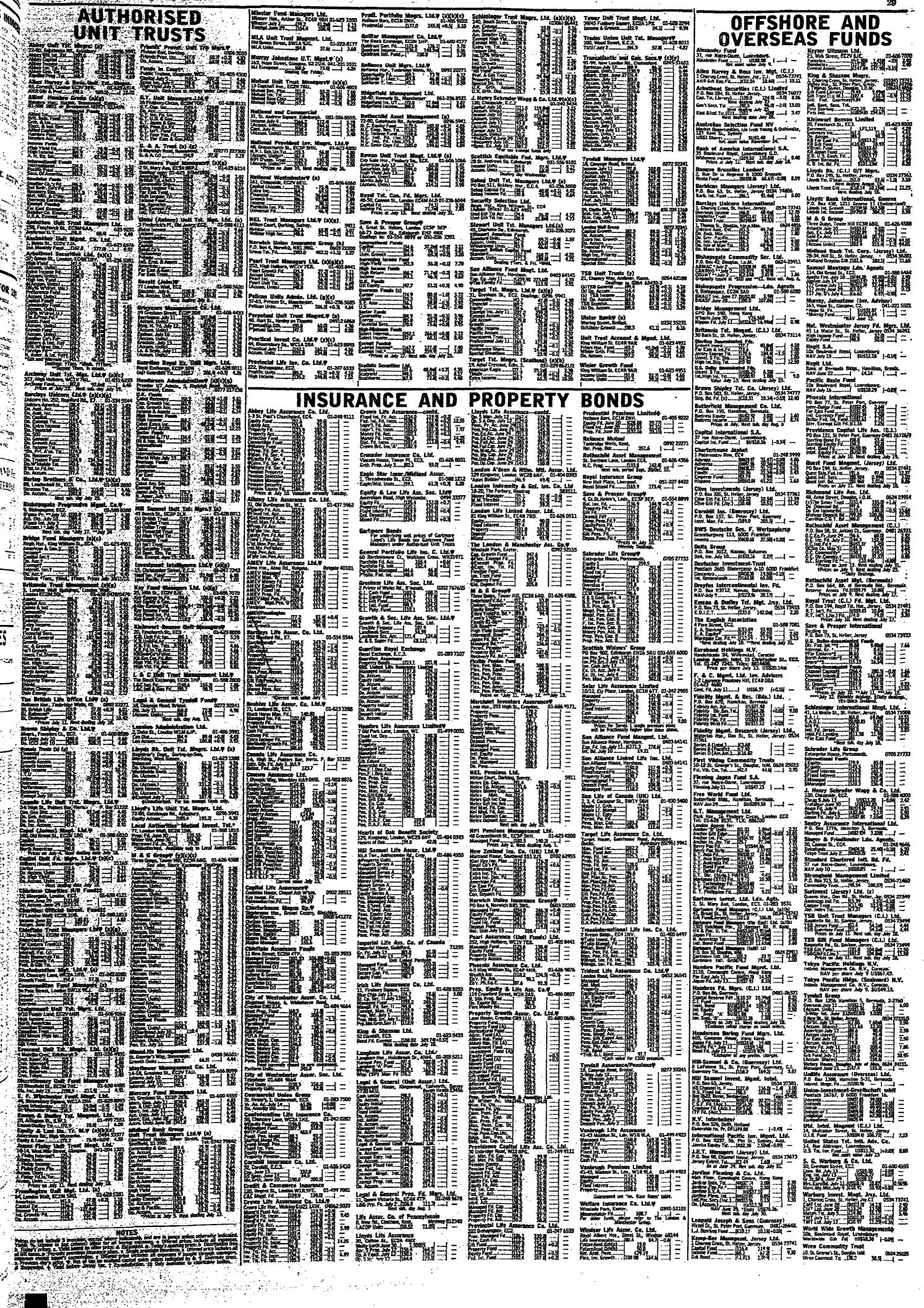
EQUITY GROUPS			Mon., July 16, 1979					nurs., Wed., July July 12 11	Ties. July 10	(a)
SUB-SECTIONS	-: /	Egg:								-
Figures in parentheses show number of stocks per section		Day's Change %	Earnings Yield % (Max.)	Div.	P/E Ratio (Net)	Index No.	Index No.	Index No.	ladex No.	in 0
TAL 800DS (172)		+0.4	17.75	5.83	-7.34	238.93	- 240,85	240.29	-243.06	1
ng Materials (27)		+0.1	18.56	5.91	7.08	220.87	221.94	222.31 355.93	224.02 358.31	
scting, Construction (28)		+8.2	25.97 13.44	5.94 4.00	. 4.82 10.22	350.69 572.55	355.47 576.19	573.60	584.64	ŀ
icals (15)	580.36	+I.4 -0.7	1924	6.18	6.56	379.35	379.58	378.66	379.99	Ŀ
eering Contractors (12)	376.73 178.03	-0.7	18.45	6.37	7.02	178.07	179.98	179.65	181.61	b
unical Engineering (74)	165.63	+0.4	19.49	9.04	6.40	165.03	166.76	165.67	166.97	ŀi
s and Metal Forming(16) UMER GOODS	103.03	TU.9	17.47	7.04		100.00	100.10			L.
ABLE) (52)	226.22	+1.8	16.04	5.04	7.92	222.29	224.83	225.84	228.29	J.
ectronics, Radio, TV (16)	311.12	+25	12.69	3.84	10.47	303.50	306.59	308,17	311.55	12
hold Goods (12)	157.00	+0.3	19,33	7.25	6.37	156.56	157.42	159.36	159.09	L
s and Distributors (24)	113.74	-F0.4	23.01	7.29	5.27	113.27	115.03	115.18	116.72	1-1
UMER COODS	1 2.0		J		1	77 🔅		F		1
DURABLE) (171)		+0.5	16.60	5.94	7.60	230.13	232.08	232.05	234.46	2
ries (14)	271.32	+0.1	16.44	5.57	7.18	273.08	273.83	274.20	276.65	1:2
and Spirits (6)		+0.7	15.17	4.69	9.61	394.75	306.18	.305.94	.308.17	1
tainment, Catering (17)	305.95	+0.7	16.26	6.63	8.10	383.92	309.41	312.05	31,9.08	
Manufactoring (19)	201.90	+0.5	19.60	6.41	6.34	280.92	202.52	202.22	203.18	[.
Retailing (15)	290.52	-0.1 -8.7	12.08	7.06	10.29 6.18	298.75	292.52 418.26	292.99 420.60	295.22	13
papers, Publishing (12)	412.10		22.79 23.88	9.05	5.43	414.92 122.43	123.14	123.27	421.87 125.71	ŀ.
ging and Paper (15)	123.10 239.00	+0.6 +0.5	11.85	4.13	11.29	237.88	238.47	237.24	239.30	١,
s (41)		+1.8	23.04	9.68	5.53	154.40	156.40	155.95	158.09	H
es( <i>2</i> )		+0.4	24.48	9.49	4.64	233.39	238.18	239.82	243.07	1 3
ind Games (6)		-01	33.26	9.84	3.01	68.57	70.37	70.18	67.88	ļī
R GROUPS (99)	199.27	+6.9	16.06	6.24	7.68	197.43	197.65	19736	199.49	1.2
icals (18)	275.62	+21	18.41	6.99	6.34	269.94	269.63	259.48	273.26	<b>ł</b> 2
naceutical Products (7)	215.02	+0.4	13.04	5.08	9.37	214.11	223.30	213.55	21431	1 2
Equipment (6)	122,04	+3.4	76.79	-6.44	7.51	117.97	138.52	118.62	121.13	12
ing (10)	463.76	-0.6	10.14	6.53	13.23	466.55	460.15	453.63	456.25	F.
llaneous (58)	238.03	=	16.43	6.05	7.86	238.03	239.85	239.45	241.96	L.
STRIAL GROUP(494)		+0.7	16.72	5.92	757	230.82	232.41	232.26	234.77	L
),	681.70	+0.4	11.65	4.94	913	678.66	683.21	695.35	692.00	Г
HARE INDEX	268.37	+0.6	15.78	5.73	7.82	266.72	268,55	269.29	271.40	[2
NCIAL GROUP(116)				5.31	]	188.36	189.18	189.34	191.91	1 -
i(6)	244.27	+3.1	27.26	4.75	4.74	236.90 265.03	236.03 265.84	234 AU 264 AB	238.47 265.04	1.2
unt Houses (10) Purchase (5)	262.73 163.82	+0.9 +0.9	20.28	6.98 5.30	6.35	162.37	163.94	164.33	166.52	
Purchase (5) ance (Life) (10)	151.87	+1.5	20,26	6.69	<u> </u>	149.59	151.45	151.47	153.28	H
ance (Composite) (8)			:□:	7,44	1 = 1	119.89	120.71	122.06	124.25	ti
ance Brokers (10)	240.57	+85	20.81	7.62	6.87	23933	241.16	243 39	248.95	ŀ
ance Brokers (10)	97.47	+0.4	_	5.67		97.08	97.53		97.90	1
erty(43)	.   348.79	+0.7	3.04	2.57	50.36	346.41	349.40	349.64	353.55	137
lianeous (10)	. 121.83	+22	15.27	7.32	8.39	119.27	119.22	118.88	118.02	١.
tment Trusts(110)	205.86	·-03	/	5.44	<del>-</del>	206,40		208,73	209.38	1
o Finance (4)	. 115.78	-0.6	16.97	6.53	7.14	126.45	17.61	117.30	119.03	1.
eas Traders (20)	.   331.71	<b>-0.1</b>				331.87	333.90		337.20	
SHARE INDEX(750)	245,72	1 +0.7	1 —	5.70	] —	244.00	245.59	1 246 17	248.31	1.
ig Final eas Tra SHARE	rice (4) iders (20) TNDEX(750)		oce (4) 115.78 - 0.6 ders (20) 331.71 - 0.1 [NDEX(750) 245.72 + 0.7	ders (20) 331.71 -0.1 16.39	ders (20) 331.71 -0.1 16.39 7.50	ders (20) 331.71 -0.1 16.39 7.50 7.47	ders (20) 331.71 -0.1 16.39 7.50 7.47 331.17	ders (20)   331.71   -0.1   16.39   7.50   7.47   331.87   333.95   TNDEX(750)   245.72   +0.7   -     5.70   -     244.00   245.59	ders (20) 331.71 -0.1 16.39 7.50 7.47 331.87 333.96 334.35 (NDEX(750) 245.72 +0.7 - 5.70 - 244.00 245.59 246.17	ders (20) 331.71 -0.1 16.39 7.50 7.47 331.87 333.96 334.35 337.20

FIXED INT	EREST P	RICE IN	NCES :	FEXEU INTEREST Mod. Fri. July July Br. Gort. Av. Gress Red. 16 13				
British Government	Mon., July 16	Day's change %	zd adj. today	nd adi 1979 to date	1 Low 5 years 10.37 10.45 2 Coupons 15 years 10.82 30.87 1 3 25 years 11.27 11.29 1			
Under 5 years	105.07	+0.16	0.10 19:27	4.94 6.08	4 Medium 5 years 12.36 12.41 1 5 Corpors 15 years 12.38 12.43 1 6 25 years 12.33 12.37			
Over 15 years	122.45	+0.37	0.65		7 High 5 years 12.63 12.69 1 8 Coopers 15 years 12.71 12.76			
Ali stocks	113.94	+0.27	0.33	6.31	71 25 years 12.65 12.70 1 1 1 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1			

		Map, July 16 Index Yield No. 2	ATIA ! TITLA	Wed. Tues. July July 11 10	"duly nub.".	Thurs Year July ago
15	20-yr. Red. Deb & Loans (15)	57.54 112,96	57.28 57.52	57.56 57.58	67.58 57.66	57.88 56.9
16	Investment Trust Prefs. (15)	52.15 13.20	52.09 52.09	52.09 52.09	52.09 ST.47	51.47 51.5
17	Coml. and Indl. Prefs. (20)	70.05 12.74	70.18 69.89	69.85 69.85	69.85 69.61	707.69 70.0

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Over Fifteen Years 31.30 Hutton E.F. 32.33 Hutton E.F. 34 / I.B.M. Corp. \$5 - 23 hutton E.F. 34 / I.B.M. Corp. \$5 - 25 hut 1. U. Internationalii 76 pt Raiser Al. \$7 - 1.6 hutton I.B. 12 / I.B. 12

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Do. 4pc Deb. £100
Gulf Oil Can. II.
Hawker Sid. Can. II.
Hudson's Say II.
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Imperial Oil Jinco
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BANKS AND HIRE PURCHASE

289 025 \*0.51 277 400 310 148 195 149 435 520 170 149 435 520 170 1295 779 525 779 532 779 533 779 534 115 536 779 537 779 537 779 538 779 538 779 539 779 5 **COMMONWEALTH & AFRICAN LOANS** 5.67 12.01 -14 6.51 12.34 -14 6.24 12.33 -14 9.50 12.03 -14 10.57 14.72 -1 -1 ---7.76 10.94 12.58 12.90 10.74 12.62 7.85 — 10.21 13.80 12.96 13.05 12.20 12.20 12.40 12.39 12.70 12.80 13.10

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HOTELS AND CATERERS

Financial Times Tuesday July 17 1979

FOOD, GROCERIES

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105. Brustans (Mass.). 195.

105. Brown Box. Keet. 195.

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Financial Times Tuesday July 17 1979 31 INSURANCE—Continued PROPERTY—Continued FINANCE, LAND—Continued Pice . - But Cur Grs PIE 1.610.8 8.2 1.2 4.1 28.5 4.4 6.0 10.7 4.3 4.4 7.2 6 4.9 6 MINES-Continued **AUSTRALIAN** OILS LEISURE Curtus Pactric N.L.
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# **FINANCIAL TIMES**

Tuesday July 17 1979



# **Brentnall** Beard directors suspended

BY JOHN MOORE

THREE directors of Brentnall Beard, the Lloyd's of London publicly quoted insurance broker, have been suspended quoted insurance from all executive duties in the group.

The three directors are Mr

The three directors are Mr.
John Newman, Mr. Derek
Gravestock, and Mr. Stanley
Eisbury, the group chairman.
Brentnall Beard has made
this move after Lloyd's announcement last Friday that it intended to discipline the three directors under rarely-used Lloyd's Acts of 1871 and 1911

and Lloyd's bye-laws.
Lloyd's has taken its disciplinary action after an investigation into the trading relationship of a Brentrall subsidiary, Brentnall Beard Inter-national, with the underwriting syndicate, formerly managed by

Mr. Frederick Sasse.

The Sasse syndicate is facing a total of £13.6m of losses, of which £10.6m were sustained on fire insurances which were placed with the syndicate by Brentnall Beard International.

Brentnall broke standard market procedures in the Sasse affair when it failed to gain Lloyd's approval of a major producer in the U.S. of fire insurance business for the Sasse syndicate which led to £8m of the losses.

Mr. Elsbury, although due to retire as chairman of the group at the end of this month, has been replaced with immed late effect by Mr. Maurice Fullerton. Mr. Fullerton. 48, was chief executive of Willows Francis Group, the toothpaste and sheep-dip manufacturer taken over by Guiness Peat Group in 1977.

Mr. Fullerton, a company

"doctor," said yesterday that Breutnall was seeking "highly experienced insurance people to join the Brentnall Beard board."

The board changes were announced as the group declared half-year losses for the six months ended March 31, 1979 of £607,000 compared with Thorn. a profit of £233,000.

Mr. Newman and Mr. Gravestock have been suspended on full pay until the outcome of Pye of Cambridge but offered the Lloyd's proceedings are shareholders an option to buy

Meanwhile, legal representatives of the Sasse syndicate are attempting to reach an out-ofcourt settlement with the as expected, Pve Holdings will Brazilian Reinsurance Institute on fire reinsurance claims of \$10m which the Brazilians refused to pay.

Lloyd's confirmed yesterday that it was requiring Brentnall to report regularly on its solvency position to ensure that the group was meeting the Lloyd's solvency tests for insurance brokers which operate in

# Spending record in rush to beat VAT

all-time high last month as con-sumers rushed to beat the Budget increase in VAT, which took effect on June 18.

There are signs that after the VAT rise-from 8 and 121 per cent to the unified rate of 15 per cent—retail sales have remained fairly buoyant.

for the volume of retail sales in some cas June rose 6.6 per cent to the level 121 (1971=100, seasonally last year.

This was 11.4 per cent higher than in the same month last year and well ahead of the pre-vious high of 118.8 registered in April, 1975—also an abnormal month because the 25 per cent luxury rate of VAT had been

BY MAX WILKINSON

the 39 per cent shareholding in

Pye which it does not already

The offer, of 180p per share,

market price, has been recom-

mended for acceptance by the non-Philips directors of Pye.

The bid puts a value of £88.4m

on the whole of Pye, which recorded a pre-tax profit of £15m on sales of £206m last

Yesterday's move by Philips comes 12 years after it acquired Pye in a takeover battle with

At that time Philips bought

nolding com-

100 per cent of the shares in

pany at 70p each. These shares

are now being bought back by

disappear, and Pye of Cam-

bridge will become a wholly-

Philips has been expected for

ship with Pye. In February it parent.

television interests in the UK veloped."

The semi-index-series in the UK that a large

some time to tidy up its relation-

announced that a "reconstruc-

owned subsidiary of Philips.

Philips. If the offer is accepted,

Philips offers £35m

PHILIPS of Holland yesterday has created managerial anoma-

announced a £34.7m offer for lies as many of its divisions the 39 per cent shareholding in have moved closer over the years

representing a 55 per cent Philips and depends upon its

premium on last week's stock research and development.

for rest of Pye

SPENDING IN shops was at an months of the year was 6 per encouraging." cent above the level of the same

Consumer reaction to the last VAT rise seems to be very different to the experience of 1975, when trading in many items came to a complete standstill for five or six weeks after the buying surge.

According to provisional Store groups report that busi-figurs released yesterday by the ness was much better than they Department of Trade, the index expected after the VAT rise. In some cases sales were above the level of the same period

> British Home Stores said that it had advanced its sales and as a result business was showing a reasonable volume rise on the summer sale last year.

Tesco said there was no change at all in the pattern of food sales, while the VAT increases on the non-food side, The June result—together had been absorbed for two with the buoyant figures for weeks, after which its sale was April and May—means that brought forward. The results sales volumes in the first six of the sale "were particularly

to Philips's worldwide strategyp.

professional equipment division. already works closely with

In particular Pye TVT, the

The same is true of Pye TMC

the telephone equipment divi-

sion, and Pye Telecom, the

mobile radio operation. Pye Unican, the instrument division.

sells Philips' equipment, and Pye Business Communications

has considerable overlap with

Philips' business equipment

It has become obvious that

the progress of all electronics

companies will depend on the

effectiveness of their research

and development in the next

decade. The general direction of

research is in turn closely

related to marketing and pro-

duct strategies which will be

Although some of the smaller

parts of Pye will probably be

allowed considerable indepen-

dence, the larger divisions are

likely to be brought into a

closer relationship with the

Philips has pledged that Pye's

that a large number of redun-

appropriate, de-It does not expect

determined centrally.

operations.

The John Lewis Partnership reported that department store business was around the level of 1978 in cash terms in the two weeks to July 7. On the furnishing side there were already signs of a recovery. Currys, the electrical chain, said that while business was a

little down on last year's summer sales period, the market was strong. Fridges, freezers and televisions were in heavy demand in spite of the rise in VAT from 121 to 15 per

Mr. Richard Weir of the Retail Consortium, which represents a wide range of stores, said that in view of the buoyancy of sales the out-turn for the year was likely to be higher than previously forecast.

The volume increase for 1979 over 1978 was therefore likely to be in the 3-4 per cent range

#### Singh leads in race for new Indian **Premier**

CHARAN emerged yesterday as the strongest contender to succeed Mr Morarji Desai as Prime Minister of India. after securing the leadership of the newly formed Janata (S)

party.
Senior members of the
Janata (S)—the "S" in the title stands for secular-are thought to have secured assurances of support from several other parties, including the official Congress opposition led by Mr. Y. B. Chavan, This eems to bave encouraged Mr. Charan Singh to press his claim to President Sanjiva Reddy to be allowed to form a government.

Earlier in the course of a day of hectic nolitical activity. Mr. Charan Singh had formrestenet his pos Deputy Prime Minister in Mr. Desai's caretaker administra-

Mr. Charan Singh's political base is among the prospering farmers of the Hindi belt of Northern India, His bid for the premiership will be resisted in the south and also by the Harijan (Untouchable) community of 80m.

Mr. Jaglitan Pam. who remains as Deputy Prime Minister and Defence Minister in the interim Desai-Government, has also let it be known that his hat is in the ring. He was bitterly disappointed at failing to get the premiership after the Janata Party's victory in 1977, and will now be putting himself forward as an all-India candidate with a strong con-

stituency among the Harijans. Mr. Charan Singh's elaim is not without some justification. The Janata (S) party, formed by the former Health Minister, Mr. Raj Narain last week when he walked out from the Janata, is growing in strength as defectors from the disintegrating party

climb on to its bandwagon. The Janata (S) leaders have held talks with other parties in the Indian Parliament and are thought to have obtained many assurances of support. These include Mr. Chavan, who moved the no-confidence motion last week which triggered the events leading to Mr. Desai's abrupt resignation on Sunday.

#### Gandhi support

Mr. Charan Singh is also thought to have the support of Mrs. Indira Gaudhi's Congress (I) which is the largest opposition party next to Mr. Chavan's Congress. However, Mrs. Gandhi is not expected to join any coalition govern-ment that might be formed.

Mr. Charan Singh was Mr. Desai's strongest rival and it is largely because of their differences that the Janata party has reached its present crisis. Mr. Desai dismissed Mr. Charan Singh as Home Minister in June, 1978, but in a compromise made him Deputy Prime Minister and Finance Minister last Febru-

Mr. Ram, who is also a strong contender for the Prime Ministership, was made Deputy Prime Minister and Defence Minister at the same

Mr. Ram has not yet resigned from the Janata party, although this organisation now exists only in name. Mr. Desai, too, still claims that he can form a government with the support of what remains of the Janata party

and others. Feature, Page 17

# Goodyear loses record £21.4m

GOODYEAR'S UK subsidiary vesterday reported a record pre ax loss of £21.4m in 1978.

This far exceeded its gloomy predictions earlier this year when it said it expected losses of up to £18m. In May the company closed one of its two British plants—at Drumchapel, Glasgow—with the loss of 700

In 1977 the company made oss of £507,000 on turnover of £187.5m. Last year turnover dropped to £179.7m. The company, like other British tyre manufacturers, is suffering from a declining market.

But Goodyear's Board said yesterday it was convinced that action being taken to streamline production and to re-organise both marketing and distribution would help ensure that the group was able to make future progress in the UK tyre markets.

Goodyear's Drumchapel plant is now being advertised for sale. The closure was precipitated when workers rejected management proposals including a 15shift working system instead of the existing 14 shifts. Despite a last-minute acceptance of the proposals by the unions and appeals by Mr. Gregor Mackenzie, the former Scottish Office Industry Minister, the company decided in February to close

Goodyear said that produclivity at Drumchapel had remained at less than half the average of European plants using identical machinery. Absenteeism was high and there was nearly twice as much waste as at other plants.

Further streamlining of Goodyear's UK operations took place at its Wolverhampton plant this

British tyre demand has fallen by about 4m in the past two to three years. Imports of foreign vehicles have increased during this period. Many tyres for the replacement market are being imported, and because of changes in technology some tyres now have a much longer

#### Continued from Page 1

#### Carter

which may also draw on as much as \$5bn-worth of low denomination bonds it is planned to sell to the public.

The intention is to finance this, plus the low-income assistmass transit and other aspects of the programme, from the proposed windfall profits tax on the oil industry now before

Mr. Carter said in Kansas City that Congress should act immediately to pass a "tough and permanent levy."

The Administration estimates that the windfall profits tax could generate anything between \$146bn and £270bn in revenues in the next decade, depending on what happens to international oil prices.

The commitment to use oil

import quotas appears, at this stage, more impressive on paper than in reality. With the U.S. economy set for

neglible growth over the next two years, it may be assumed that demand for oil will be commesurately modest. In his speech on Sunday

night it was widely noticed that Mr. Carter made no reference to the role of nuclear power. In Kansas City, however, he noted that it was "a hard fact" that nuclear power accounted for 13 per cent of all electricity consumed in his country, and, in some areas such as the city of Chicago, much more.

Nuclear power, he said, must play "an important role the energy future of the U.S. But he added that definitive de cisions would have to await the report of the Presidential commission inquiring into the accident at Three Mile Island. Mr. Carter also rectified what some had said was another omission on Sunday night when he spoke of the significance of close ties with Mexico and

Canada over energy supplies. He repeated that the U.S. was actively engaged now in negotia-tions for substantial purchases of Mexican natural gas and already took 80 per cent of all Mexican oil exports.

Though Canadian oil output would be declining, he promised close co-operation with the Government in Ottawa over other sources of energy, notably

hydro-power. Demonstrating what White House claims is his new toughness, he criticised the major oil companies for "dragging their feet" over construction of the new pipeline to transport Alaskan natural gas to the mid-West.

He said he had instructed Dr. Schlesinger, his Energy Secretary, to summon industry leaders and direct them to

THE LEX COLUMN

# A harsh winter for Rank

Once again Rank Xerox has come to the rescue of Rank Index rose 4.1 to 476.7 Organisation. The market's fears about the impact of currency changes on the results of Rank Xerox appear to have. been exaggerated, parily because of the impact of a fall in the yen on the liabilities of Fuji Xerox. On the FAS 8 accounting basis Rank's share of profits at RX has jumped from £53.6m to £65.1m for the first six months. But there is ample confirmation of the non-Xerox problems indicated at the annual meeting in March whe shareholders were warned that industrial disputes and severe weather meant the group could no longer reach its targets for the year. At the halfway stage there is a non-Xerox loss of

It is fair to point out, how-ever, that after adding Leisure Caravan Parks to its other holiday interests, notably Butlin's. Rank has increased the seasonal bias in its results. In the first half-year it has borne interest on the £20m paid for the caravan business but only received a few weeks' benefit on the £62m rights issue proceeds. These operations promise well for the summer, while the industrial businesses like Rank Precision Industries, where trading profits were down over £2m in the first half, and Rank Toshiba are picking up after a poor start. However, the group's enig-

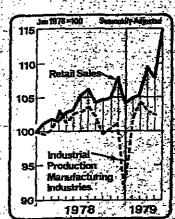
matic statement that group pre-tax profits for the year "should show an increase" does not give any guide to how the Xerox and non-Xerox sides may fare. RX is said to be showing underlying growth, removing currency distortions, of around 10 per cent, but the carrency factors are likely to be unfavourable for the remainder of the year. How it works out is impossible to estimate at this stage, but if non-Xerox profits were to come out below last once they are to come out below last of the impost it seems are they said to be stage yearerday, the share closed dast right at 1750 when they sail on just over four time.

Pye/Philips

Less than a month after TTT pre-tax profits of fail in capar, the subsidiary, Philips is making an stage, but if non-Xerox profits offer. to mop up the 39.3 per ing the decision and the mediately after the rights issue. Pye Holdings shares when it close to 250m pre-tax for the RX is said to be showing undermediately after the rights issue. Pye Holdings shares when it close to about present for the At least the shares have re-bought out the shareholders in full calendar year. However, couped a little of the post-rights Pye of Cambridge in 1967; then given the uncertainty the stoci damage; from the equivalent of as now the multimals were market is not going to attact 262p in January just shead of touchy about public opinion. much value to the London the issue the shares touched a low of 211p on Friday but put on 11p on the results, to yield a prospective 7 per cent.

#### Trade figures

Both sterling and the giltedged market seemed prepared to shrug off another disappoint. shareholding in a rump of un-selling on just under nine time ing set of trade figures. Gift- connected businesses. Vester- non-casino carnings and yields edged prices closed firmer on



the day and sterling rose by over a cent against the dollar. Once against the figures are racked with distortions but it seems as if the slight surplus on current account in June was in fact a deficit of around £350m. On a six month basis, assets. the figures look even more depressing. There was a cur-rent account deficit of close to £2bn and there is going to have to be a very big improvement in the second half if the official-Treasury forecast of a £0.75bn current account deficit for the full year 1979 is not going to prove decidedly overoptimistic-

Meanwhile, the 6.6 per cent rise in June relail sales semonstrates the scale of the recent consumer spending boom and contracts starkly with the sluggishness of industrial production. Imports it seems are

Pye has become an anomaly

half the group behaving as a part of Philips, half run with ing into hotels and other nonuneasy independence Earlier cosing interests and it is this year Phillips envisaged a re-reckoned that this side of the structuring which would have business which includes some meant buying up those sub-property dealing could chiral sidiaries most directly involved £25m.£30m in the current year with it and leaving the minority day's cash offer for the entire not very nenerous 6.7 per cent.

inorsty is a much more sati factory solution for the outsid

factory solution for the outside shareholders.

Having decided to bid. Endlish could not afferd to look missing the advisers had in mind the is attutional opposition to the Pearson bid for the Pearson bid for the Pearson bid for the Pearson bid for the Pearson Longman minority last year. So the offer price of 1800 represents a handsome present over the market price of 1800 which Pye closed on Friday. First have base traded between the higher figure installing the higher figure in t

Fundamentally, though the offer is no more than tell this of philips is offering over 18 time Pye's reported 1978 saming but Pye's accounts are drawn a on the high-depreciation bus used by Philips itself, and ma used by Phings-used, and may conventional, accounting was from the exit p/e to aritize to. Most of the minority flux were issued against options. June 1973 at 70p—aritized life to today's money, a mode triumph over inflation for equit

#### Ladbroke Group

Ladbroke's growth record i recent years has been in an same league as that of com-panies like Racat Assa an BTR. But the stock marker has always had its doubts about the quality of the group's earning and vesterday's news that Lac broke's application for the renewal of its highly in London casino licences is refused underlines the point i a dramatic way. Having been 13p up at 2029 a

casino interests at present The group has been diversify resind interests and it i, reckoned that this side of the Assuming £25m, the group 1

## Weather

DRY and bright generally some cloud and rain in Scotland London, S.E., S.W., Central Midiands, S. Wales, Ch. Isles. Mainly dry, bright intervals. Max 23C (73F). East Anglia

Rain becoming brighter. Max 21C (70F). N.W. England, N. Wales, Lakes,

I. of Man, S.W. Scotland Cloud with fog and drizzle. Max 19C (66F). N.E. England, Borders, Edin-

burgh, Dundee, Aberdeen Mostly dry with some bright intervals. Max 20C (68F). Rest of Scotland, N. Ireland Orkney and Shetland Cloud with rain and drizzle.

Max 18C (64F). Outlook: Mostly dry. generally. Long range forecast: Cool

August hot and dry. WORLDWIDE

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The exodus of humanity from Vietnam goes on and on. And, every day, more and more innocent children become helplass victims of a tragedy that, as ever, is not of their making.

We will be feeding and housing hundreds of these children and their making in the second control of the secon We will be feeding and housing hundreds of these children and their families in special residential centrus in Britain, until they are permanently resettled. We ask you to holp us save the refugee children. The Save the Children Fand in Hong Kong is ofready helping the "boat people": in Thailand, we have five medical units working among 150,000 refugees in the camps, it all takes money. The Save the Children Fund needs as much as you can spare; and we need it now. So please give generously—and give soon. Because the sponer you give, the sponer we can help some innocent, exited Vietnamese child.

The Save the Children Fund.

Dept.145. FREEPOST, London SW9 OBR.

Vietnamese Boat People

#### Britain drops EEC loan claim its claim, pressed strongly by those of its EEC partners. the last Labour Government, He also indicated yester subsidised loans from the EEC if it decided to become a full member of the European Mone-

tary System. Chancellor oft he Exchequer. accepted that Britain's eligibility for EEC aid should depend on an examination of its relative economic performance to be undertaken in the event of a decision to join the EMS. The softening of Britain's

position unlocked a dispute which has blocked payment of interest rate subsidies worth 200m units of account (£125m) a year to Italy and The two countries were

promise dthe money, which will provide a 3 per cent subsidy on EEC loans totalling 5bn EUA over the next five years, as an incentive to join the EMS at the end of last year. But the UK had been unwilling to give its approval to the subsidies until other countries accepted that it should be entitled to receive similar aid, if it joined the

France has consistently refused to acknowledge that Britain's economic position lagged sufficiently fa rbehind its Community patrners for it to be categorised as one of the EEC's less prosperous countries.

This argument was press home again yesterday by M. Rene Monory, the French Economics Minister, who said that in the current world economic situation Britain's strong exchange rate and its substantial reserves of North Sea oil must be counted as sources of substantial economic strength.

Sir Geoffrey continued to insist, however, that these two points in Britain's favour were not a decisive consideration." The UK's overall economic situation must be judged by other criteria, in particular its gorss domestic product per capita and inequitable.

He also indicated yesterday

summit last March by Mr. the resources available to the

exceed £1bn next year.

The link between the two

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

tion" was being considered. This activities will be continued and

The semi-independence of Pye dancies will be necessary.

that it should be entitled auto- that he was moving away from day that in his mind there was matically to receive substantial the previous Government's no automatic link between the subsidised loans from the EEC if threat to freeze its payments to two questions. He remained the EEC budget after 1981 if it hopeful that the problem of obtained no satisfaction in its Britain's budget contribution efforts to reduce the size of its would be finally resolved at the Instead, Sir Geoffrey Howe, net contribution expected to

reach their ceiling, unless there markets.

But Sir Geoffrey said yesternext EEC summit to be held in

Sir Geoffrey refused to be issues was forged at the Paris drawn publicly yesterday on summit last March by Mr. whether the Government would, Callaghan, then Prime Minister. in fact, decide to join the EMS He gave a warning that the UK or whether it was planning a might be unwilling to increase further relaxation of exchange budget in two years' time, when continued strengthening of current financing arrangements sterling on foreign exchange

Mr. Lawson, who will attend

said he expected significant

amendments to the budget by

"le may well be undesirable

that any EEC member should

suffer a loss on this scale. It is wholly wrong that the UK, one

of the poorer members of the

Community, should be doing

Mr. Lawson said that the

financial mechanism providing

for refunds of contributions to

countries in balance of pay-

Even on the most favourable

qualify for a refund of £250m.

The amount appeared more

likely to be £30m.

But Mr. Lawson said that

expansion of the regional and

social funds could make no

more than a modest extra con-

tribution to Britain's budget im-

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Britain would only

ments deficit had been '

absymal failure."

the end of the year.

## Community's proposals intolerable-Minister

BY PHILIP RAWSTORNE

THE GOVERNMENT will renew its pressure for a reduction in Monday's Brussels meeting, Britain's contribution to the EEC budget at a meeting in Brussels next Monday of Finance Ministers to discuss the Community budget.

Mr. Nigel Lawson, Financial Secretary to the Treasury, told the Commons yesterday that proposals for Britain's contribution next year were "frankly On the basis of the EEC Commission's current estimates,

would be £2.235bn, he said. The Commission had already increased its preliminary estimate by £155m because of higher farm prices agreed last month and it was likely to propose a further increase in the

the gross contribution for 1980

autumn. Unless there were changes in EEC policies this would mean that Britain's net contribution would amount to more than £16n which 'nе manifestly and massively

BRITAIN YESTERDAY gave up standard of living relative to were radical reforms of the pattern of EEC spending.

Dublin in November.